



Daily Report

China

FBIS-CHI-94-232
Friday
2 December 1994

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General

Further on Foreign Ministry News Conference

Views French Arms Sales to Taiwan

HK0112141094 Beijing ZHONGGUO XINWEN SHE
in Chinese 1133 GMT 1 Dec 94

[FBIS Translated Excerpt] Beijing, 1 Dec (ZHONGGUO XINWEN SHE)—Foreign Ministry spokesman Chen Jian pointed out this afternoon that Hong Kong should not be made home for Vietnamese boat people. China will be looking for a way to push Britain to settle Hong Kong's boat people problem before the end of 1995.

Chen Jian said this in reply to a reporter's question at the Foreign Ministry's Thursday routine news briefing.

He said: It was a British Government decision to make Hong Kong the first asylum for Vietnamese boat people. According to relevant UNHCR's provisions made in June 1989, the British Government is responsible for resolving the problem before the end of 1995. We have noticed that this problem has been around for a long time, and hope that the British Hong Kong Government can take up its responsibility, and that it will not leave the problem to the future special administrative region government.

A reporter asked: What are China's comments on the Taiwan authorities' plan to purchase ground-to-air missiles from France?

Chen Jian answered: The position of the Chinese Government on arms sales to Taiwan has been consistent and clear: We object to providing Taiwan with arms or arms installations of all kinds by any country. France has pledged not to sell arms to Taiwan in the Sino-French Joint Communique announced in January this year; it is hoped that France will honor its commitment. [passage omitted: Lebanese prime minister to visit China at Li Peng's invitation; Tian Jiyun to attend Thai king's birthday]

Comments on Vietnamese Migrants

HK0112145094 Hong Kong Television Broadcasts
Limited in English 1200 GMT 1 Dec 94

[From the "News at 8:00"]

[FBIS Transcribed Text] China is considering accepting any Vietnamese migrants of Chinese origin who are rejected by Vietnam. This follows last month's release of 125 boat people, some of whom had their applications for voluntary repatriation rejected by Vietnam. Anabel Roberts reports:

[Begin recording] [Roberts] The Foreign Ministry is keen to keep pressure on the British Government to resettle all Vietnamese migrants before 1995, but officials say China will consider taking in any ethnically Chinese migrants who are rejected by Vietnam.

[Foreign Ministry Spokesman Chen Jian—identified by screen caption—in Mandarin with English subtitles; following from the Mandarin] For a few of them who have been screened and confirmed to be Chinese nationals, and who are willing to return, we will, in accordance with regulations, take them in.

[Roberts] According to the ministry, the government is now urging the British to resolve the Vietnamese migrant situation as soon as possible, but adds the matter has not yet been included on the agenda for next month's Joint Liaison Group meeting in London. [end recording]

Comments on Bosnia Peace Effort

HK0112145294 Beijing ZHONGGUO XINWEN SHE
in Chinese 1133 GMT 1 Dec 94

[FBIS Translated Text] Beijing, 1 December (ZHONGGUO XINWEN SHE)—Foreign Ministry Spokesman Chen Jian said at a news briefing this afternoon: The search for a plan acceptable to all is the fundamental way to politically settle the Bosnia-Herzegovina issue. We hope that all parties will set store by the Bosnia-Herzegovina people's interests, and will settle the conflict through peaceful talks.

Chen Jian said: Bosnia-Herzegovina is a part of Europe, and the Bosnia-Herzegovina conflict has a direct impact on peace and stability in Europe. Peace in Bosnia-Herzegovina not only conforms to the interests of all parties in Bosnia-Herzegovina, but also meets the need for peace in Europe. China is always concerned about the Bosnia-Herzegovina issue, and in particular, it cares and worries about the escalation there of the flames of war. China is deeply sympathetic to the war misery suffered to the full by the local people, and it supports the international community's moves to politically settle the Bosnia-Herzegovina conflict and avoid the further intensification of contradictions. China is willing to make constructive efforts, along with the international community, for peace in Bosnia-Herzegovina.

Official Urges UK To Settle SRV 'Boat People' Issue

OW0112122894 Beijing XINHUA in English 1153
GMT 1 Dec 94

[FBIS Transcribed Text] Hong Kong, December 1 (XINHUA)—The British Hong Kong government should take the responsibility for resolving the Vietnamese boat people issue instead of leaving it to the future government of the Hong Kong Special Administrative Region, said a Chinese official here today.

Zhang Junsheng, deputy director of XINHUA NEWS AGENCY Hong Kong branch, made the point at a public function while commenting on the recent remarks by the Hong Kong governor on this subject.

Hong Kong Governor Chris Patten reportedly said Wednesday [30 November] that if the British Government received all the Vietnamese boat people who

remain in Hong Kong by 1997 as requested by some local legislators, it would give the Vietnamese migrants a wrong impression.

Zhang Junsheng reiterated that the British Government is responsible for settling the Vietnamese boat people issue before 1997 when China resumes sovereignty over Hong Kong.

He said that the issue is imposed on the Hong Kong people by Britain and has created a heavy burden both financially and economically for the local people.

Hong Kong people have paid heavily for that and billions of HK dollars have been spent on the living arrangements for these Vietnamese migrants, he said.

Zhang urged the British Hong Kong Government to abide by the UN action program that all the camps for accommodating the Vietnamese boat people remaining in Hong Kong must be cleaned by the end of 1995.

The local government has also repeatedly vowed to clean the detention camps for Vietnamese migrants in the territory by the end of next year.

Recently, however, local officials in charge of the boat people said on different occasions that it is very hard for the government to meet the target, sparking the concern among both locals and Chinese officials that the problem may be left over beyond 1997.

There are still about 25,000 Vietnamese migrants remaining in several detention camps scattered in the territory.

Vietnamese boat people began pouring into the territory in the late 1970s. So far about 44,000 Vietnamese migrants have returned home since the voluntary repatriation program by the United Nations High Commissioner for Refugees started in March 1989.

Violence frequently occur in the Vietnamese detention camps. Crimes committed by Vietnamese boat people after escaping from the detention camps and other social problems caused by such people in the territory are also constantly reported.

China Wary About U.S. Access To Cam Ranh Bay

OW0212113294 Tokyo NIHON KEIZAI SHIMBUN in Japanese 1 Dec 94 Morning Edition p 8

[Article by Hiroyuki Akida: "China Stung By Lurking Shadow of the U.S. Navy in Vietnam, Concerned About Prospect of Its Military Dominance over Spratly Island Issue Being Cut Down"—filed from Beijing]

[FBIS Translated Text] China is becoming acutely nervous about the lurking "shadow" of U.S. Naval forces in Vietnam. In terms of naval power at present, China's superiority dominates Vietnam, which is confronting that country fiercely over the issue of territorial rights to

the Spratly Islands. But China is afraid that U.S.-Vietnam relations of foes who fought each other in a war might turn into "relations of friends," and that China's superior military position could no longer be sustained.

According to a source in Beijing, Vietnam has recently started secretly studying the possibility of concluding with the United States an "Access [preceding word in English] Treaty" permitting the latter to use Cam Ranh Bay base—thus making it possible for U.S. Navy forces to use the base. The Cam Ranh Bay base is a military port built in South Vietnam by the United States in the 1960's. After the Vietnam war ended, the naval forces of the former Soviet Union (Russia) used it as a major base for countering U.S. forces in Asia.

In late November, while on a visit to Hanoi, Qian Qichen, Chinese deputy premier and foreign minister, held a foreign ministerial conference with his Vietnamese counterpart, Nguyen Manh Cam. Replying to a question from NIHON KEIZAI SHIMBUN following the meeting, the Vietnamese foreign minister said, "Should there be a proposal from the United States (regarding the conclusion of the Access Treaty), we would like to study it." His answer could be interpreted as having meant that if there is a formal inquiry about it from the United States, Vietnam will give it a positive response.

Meanwhile, the United States also makes people wonder. Admiral R.C. Macke, commander of the U.S. Pacific Command, in a news conference in Hanoi while visiting Vietnam in late October, said: "If the United States and Vietnam come to cooperate in the areas of politics and economics, cooperation between the armed forces will become possible." Saying also that "being a naval officer, I look for good ports all the time," he seemed to imply that even the use of the Cam Ranh Bay base can be considered in the future.

Regarding such moves in the United States and Vietnam, China is superficially calm, saying, "We welcome the normalization of U.S.-Vietnam relations." But in fact that country is very perturbed. In a news conference in mid-November, the Chinese Foreign Ministry spokesman warned against the course of the United States and Vietnam, declaring: "Regardless of what countries are involved, we do not agree if they want to build military bases overseas or to station their troops overseas."

At present, the Vietnamese naval force consists of seven vessels, while the Chinese navy has more than 50. Backed by this naval power, China is not about to yield an inch in the issue of territorial rights over the Spratly Islands. But if U.S. Navy vessels come to dock at the Cam Ranh Bay base, China is afraid this China-Vietnam naval power structure will crumble and China will come to have trouble in its scenarios [on the territorial issue].

Since withdrawing its forces from the Subic Naval Base in the Philippines in 1992, the U.S. Navy has been

looking for a military port to replace it in Southeast Asia. Recently, the U.S. Navy approached Thailand with a plan to build a marine supply base in the Gulf of Thailand, but Thailand refused to cooperate with it.

The United States and Vietnam have the "Vietnam War" in their past; the United States and China have the "Tiananmen Incident" in their past; and China and Vietnam have the "1979 border conflict" in their past. The United States, China, and Vietnam are also trying to change their positions from confrontation to coexistence—in spite of their respective "aftermaths" of the past. The question of allowing the U.S. Navy access to the Cam Ranh Bay base can be a strain on these triangular relations in searching for regional stability.

Reportage on Nations' Viewing Bosnian Developments

UK Rejects Call for Tougher Action

OW0212001794 Beijing XINHUA in English 1956
GMT 1 Dec 94

[FBIS Transcribed Text] London, December 1 (XINHUA)—Britain indicated today that the consequence would be disastrous if U.S. Senator Bob Dole's call for tougher action in Bosnia was met.

Dole has accused Britain of blocking NATO air strike against Bosnian Serbs and demanded withdrawal of UN Protection Force from Bosnia and lifting of the UN arms embargo against Bosnian Muslims.

British Prime Minister John Major, who met Dole on Wednesday [30 November], told parliament that ending the arms ban would force UN peacekeepers to withdraw and that would make Bosnian situation even worse.

"The belief that it would produce a level playing field is not in my judgement right, it would produce a level killing field," Major said.

British Defence Secretary Malcolm Rifkind told BBC Radio he asked Dole in a meeting on Wednesday what he believed would happen if the UN pulled out of Bosnia and if NATO or the U.S. simply resorted to bombing Serb positions, adding Dole did not give a detailed answer.

Rifkind said: "We believe that what would happen is that in the immediate aftermath of the UN withdrawing, the Bosnian Government would not be able to protect Sarajevo or Gorazde or the other Muslim enclaves.

"If there were sustained air attacks by NATO or the U.S. on Bosnia, that would amount to essentially a declaration of war. The Russian Government, which is very close domestically to Serbia, might feel obliged to come in on the side of the Serbs and we would have a much more serious international crisis."

Britain said the only way to end the Bosnian conflict was through negotiated settlement.

OIC Ready To Contribute Troops

OW0212001994 Beijing XINHUA in English 2310
GMT 1 Dec 94

[FBIS Transcribed Text] United Nations, December 1 (XINHUA)—Members of the Organization of Islamic Conference (OIC) "remain ready to contribute troops to offset any shortfalls" if some Unprofor (UN Protection Force) troop contributors withdraw their troops, an OIC statement said on Thursday [1 December].

The statement was issued by the OIC contact group on Bosnia and Herzegovina and OIC troop contributors to Unprofor following the OIC meeting of the whole at ambassadorial level held in New York on Wednesday. [sentence as received]

The statement said that as the situation in the UN-designated safe area of Bihac continued to deteriorate, the OIC member states were shocked by the "lack of appropriate and effective action" by the Unprofor command.

While the Bosnian Government had accepted all calls for a cease-fire and peace, it said, "the Serb side had been allowed to abuse this process of negotiations, in actuality refusing to engage in good-faith negotiations."

It said "in the event that some Unprofor troop contributors carry out their threats to withdraw their troops, the OIC member states remain ready to contribute troops to offset any shortfalls, whether they be in manpower, technical support, or finance."

UN Secretary-General Butrus Butrus-Ghali failed in seeking a cease-fire between Bosnian Serb forces and Muslim forces. After a brief visit during which he had talks with Bosnian Government leaders, he left Sarajevo on Wednesday without meeting Bosnian Serb leaders, who insisted on having talks with him in a Serb-held area.

Serbs Make Concessions

OW0212035194 Beijing XINHUA in English 0343
GMT 2 Dec 94

[FBIS Transcribed Text] Belgrade, December 1 (XINHUA)—Bosnian Serb leader Radovan Karadzic agreed today to make some concessions to the UN peacekeepers in Bosnia.

He made the promise at a meeting in Pale, the capital of the self-declared republic of Srpska, with commander of UN Forces in Bosnia General Sir Michael Rose.

A spokesman for Rose, Jan-Dirk Merveldt, said that during the talks Karadzic expressed his willingness to make some concessions in order to ease the tension between the peacekeepers and the Serb forces in the country.

According to the spokesman, Karadzic agreed to allow the rotation of peacekeepers at weapons collection sites,

to release the UN personnel detained in Lukavica and to allow all the aid convoys that are currently halted to proceed to their destinations.

But Rose and Merveldt did not mention the number of people detained by the Serbs in Lukavica. Most of them are believed to be UN military observers who are being held to check further NATO air strikes.

UN Secretary-General Butrus Butrus-Ghali, who was in Sarajevo on Wednesday [30 November] attempting to broker a cease-fire in Bihac, a UN-designated "safe area" in northwestern Bosnia, failed to meet Karadzic because of a disagreement on the site of the meeting.

But UN Special Envoy Yasushi Akashi is expected to go to Pale on Friday for more talks with Serb leaders.

NATO Hopes for Peaceful Solution

*OW0212035794 Beijing XINHUA in English 0346
GMT 2 Dec 94*

[FBIS Transcribed Text] Brussels, December 1 (XINHUA)—NATO today reiterated its support for the peace efforts of the international community and vowed to find a peaceful solution to the confrontation in former Yugoslavia.

A communique issued here after a one-day meeting of the NATO foreign ministers said NATO supports all peace efforts of the international community, including the "contact group" of the five Western powers.

"We are convinced that the conflict should be resolved through negotiations," the ministers declared.

It called for a halt of the Bosnian Serbs' offensive against Bihac and asked the warring sides to accept and abide by a cease-fire.

The communique also reiterated NATO's promise to "provide close air support" for UN peacekeeping forces in former Yugoslavia and to use its air forces according to the present arrangements worked out by the United Nations.

NATO, the North Atlantic Treaty Organization, will work together with the Western European Union (WEU) to continue their arms embargo on the Adriatic Sea, the communique added.

On this point, the communique emphasized the determination of the participating countries to maintain solidarity.

NATO Secretary-General Willy Claes presided over the one-day meeting held in the NATO headquarters here in Brussels.

World Bank Loans Help Afforestation in Liaoning

*OW0212021794 Beijing XINHUA in English 0134
GMT 2 Dec 94*

[FBIS Transcribed Text] Shenyang, December 2 (XINHUA)—World Bank loans have helped northeast

China's Liaoning Province to achieve remarkable results in afforestation, it has been reported.

In the past four years, the province has used over 100 million yuan (11.76 million U.S. dollars), of which over 70 million was from loans from the World Bank, to plant 77,260 hectares of pine trees.

Liaoning is one of 16 recipients of World Bank loans for afforestation in China. According to the agreement signed, the World Bank was to issue 21 million U.S. dollars in loans for the tree planting effort between 1990 and 1996. In the meantime, the province has to provide a total of 219 million yuan in support funds.

The afforestation drive covers seven cities and 15 counties, accounting for one-fourth of the province's total area.

The newly-afforested areas, mainly located in the eastern mountainous areas, are expected to play an important role in water conservation, thus enhancing the water supply to large cities like Shenyang, Fushun and other leading cities in the province, experts said.

When the project is completed, it will produce over 11 million cubic meters of timber reserves, and bring an estimated profit of 1.47 billion yuan, they noted.

Scientific methods and new technology have been applied in the afforestation drive and a series of rules and regulations and management systems covering tree planting, scientific research, environmental protection, accounting, management, and information dissemination were introduced in accordance with requirements of the World Bank.

United States & Canada

U.S. Senate Overwhelmingly Approves GATT Bill

*OW0212050394 Beijing XINHUA in English 0453
GMT 2 Dec 94*

[FBIS Transcribed Text] Washington, December 1 (XINHUA)—U.S. Senate overwhelmingly approved the implementation legislation of the General Agreement on Tariffs and Trade (GATT) trade agreements here today by a vote of 76 to 24.

The vote followed a 68 to 32 vote on a procedural rule that made the Senate floor vote on the bill possible.

Earlier on Tuesday [29 November], the U.S. House of Representatives approved the bill by a margin of 142 votes.

Peng Peiyun Meets Undersecretary of State Wirth

*OW0212111794 Beijing XINHUA in English 1107
GMT 2 Dec 94*

[FBIS Transcribed Text] Beijing, December 2 (XINHUA)—Peng Peiyun, State Councillor and minister in charge of the State Family Planning Commission, met

here today with Timothy E. Wirth, visiting undersecretary of state for global affairs of the United States.

During their meeting, the two exchanged views on issues of women and population. Peng also briefed Wirth on China's population policy, the "maternal, infantile health care law", and the process of the preparation for the world women's conference to be held in Beijing next year.

During Wirth's stay in Beijing, Chinese officials from the All-China Women's Federation, the State Science and Technology Commission, the State Bureau of Environment Protection and the Ministry of Public Security had held discussions with Wirth on issues of common concern.

Clinton To Seek Additional Military Spending

OW0112234994 Beijing XINHUA in English 2017
GMT 1 Dec 94

[FBIS Transcribed Text] Washington, December 1 (XINHUA)—U.S. President Bill Clinton announced Thursday [1 December] that he would ask Congress to add 25 billion U.S. dollars to the country's planned military spending over the next six years to improve troop readiness and quality life.

He told a White House press conference, "I have pledged that throughout the life of this administration our military will remain the best trained, the best equipped, the best-prepared fighting force on earth."

In a five-part new initiative presented today, he also asked Congress to provide for "real growth in the defense budget" during the last two years of the administration's next six-year plan to help ensure that the American military enters the 21st century "with the most modern equipment available."

Besides, he requested approval by Congress of "an emergency supplemental funding" for the current fiscal year to pay for "unanticipated" military deployments in the Gulf, the Adriatic, Haiti and elsewhere.

He did not say how much extra money he would request for Pentagon this year. The Administration's fiscal 1995 military budget amounts to 264 billion U.S. dollars.

The 25 billion dollars in additional spending beginning next year is designed to help cover a 40-billion-dollar shortfall over five years that had been created by a congressionally required pay raise, and by inflation, a senior official said.

"It focuses, however, on the issue of readiness—making sure the force is able to conduct and win nation's wars," the official noted.

"I directed that our armed forces be ready to face two major regional conflicts occurring almost simultaneously. Since then, I have repeatedly resisted calls to cut our force further....I have drawn the line against further defense cuts," Clinton said.

The announced increase in military spending came just two weeks after the army admitted that the operations in Rwanda, Haiti and elsewhere had left three of its 12 divisions far below their peak readiness levels.

Congressional republicans have criticized the Clinton administration for defense cuts, which they say have eroded military readiness. Clinton's announcement today is seen an effort to counter the charges by Republicans.

However, he declined to answer a question put to him by the press: where do you expect the additional money to come from?

Central Eurasia

'Roundup' Views Yeltsin's New Deadline for Chechnya

OW0212034594 Beijing XINHUA in English 0313
GMT 2 Dec 94

["Roundup" by Zhang Tiegang: "Yeltsin Sets New Deadline for Chechnya"]

[FBIS Transcribed Text] Moscow, December 1 (XINHUA)—In view of the complicated nature of the problem in the breakaway north caucasian republic of Chechnya, Russian President Boris Yeltsin today set a new deadline for the warring sides, in particular the government, to lay down their arms.

In a decree, "On Measures To Strengthen Law and Order in the North Caucasus" issued this evening, Yeltsin recommended that public prosecutors not file criminal charges against those who surrender their weapons before December 15 if they are not implicated in a serious crime.

Since Dzhokhar Dudayev was elected president of Chechnya and proclaimed the Russian republic independent from Moscow three years ago, there has been constant bloody fighting between the Chechen authorities and the opposition.

Following a renewed outbreak of fighting between the two warring sides in and around the Chechen capital of Grozny last weekend, Yeltsin on Tuesday [29 November] issued an ultimatum ordering the two sides to lay down their arms within 48 hours.

The Chechen opposition voiced its readiness to obey the ultimatum, but the Chechen Government gave no clear response. Dudayev merely stated that his troops had already brought the situation in the capital under their control and that law and order had been restored in the city.

The Chechen authorities have also warned Moscow not to use force against the republic. They claim that over the past few days there has been a build-up of Russian

troops along the Chechen border and that Russian military aircraft have been continuing to conduct air strikes against military targets in Chechnya.

Russia's presidential press service today re-issued Yeltsin's Tuesday message to the warring parties which, while not mentioning the possibility of imposing a state of emergency in the breakaway republic, still says that Russia will use all the forces and means at her disposal to restore law and order in the region.

Earlier today, the ITAR-TASS News Agency quoted sources at the Russian Defense Ministry as saying the ministry had decided that by December 14 it would move "small units and means" to the area of Mozdok in North Ossetia—a Russian republic bordering Chechnya—to support Russian Interior Ministry troops if a state of emergency is declared in Chechnya.

According to a high-ranking official in Yeltsin's administration, "no decree imposing a state of emergency in Chechnya will be signed in the immediate future" while other options for settling the crisis exist.

Nationalities Minister Nikolay Yegorov, a special envoy of the Russian president to Chechnya, has been touring the republics and regions around Chechnya in an effort to establish a coordinated position on the crisis.

In addition Sergey Yusekov, head of the state Duma (lower house of the Russian parliament) committee for defense, began talks with Dudayev immediately after his arrival in Grozny earlier today.

Yusekov, who is leading a parliamentary delegation, will continue his face-to-face talks with the Chechen president on Friday. Their talks will focus on the fate of a group of Russians captured during last Saturday's fighting between opposition forces and government troops in Grozny.

Also today, Russian Prime Minister Viktor Chernomyrdin ordered the setting up of a temporary information center under the Russian Press Committee, and he instructed the ministries and agencies concerned to supply the center with up-to-the-minute information on the latest developments in the North Caucasus.

Near East & South Asia

'News Analysis' Views Mubarak's Role as Mediator

OW0212013794 Beijing XINHUA in English 2000
GMT 1 Dec 94

["News Analysis" by Wang Gengbao: "Egypt Endeavors To Promote Peace Process on Syrian-Israeli Track"]

[FBIS Transcribed Text] Damascus, December 1 (XINHUA)—Syrian President Hafiz al-Asad and visiting Egyptian President Husni Mubarak held a closed meeting at the presidential palace here before noon today.

They were later joined on the Syrian side by Vice President 'Abd-al-Halim Khaddam, Prime Minister Mahmud al-Zu'bi, Foreign Minister Faruq al-Shar', and Information Minister Muhammad Salman, and on the Egyptian side by members of the delegation accompanying President Mubarak.

According to diplomatic sources here, the talks between the two sides covered the Middle East peace process, the ongoing diplomatic contacts to promote the process on the Syrian-Israeli track and the outcome of the Egyptian president's visit to a number of European countries to activate the peace process.

Meanwhile, the Egyptian president's visit to Syria is taking place within the context of consultations and coordination prior to the planned visit to the region next week by U.S. Secretary of State Warren Christopher in an attempt to bring about rapprochement between Syria and Israel.

It may be noted that the diplomacy of Egypt and the U.S. is to make efforts to push the parties concerned to achieve progress in the peace negotiations before the end of 1995 and before the Israeli elections in 1996.

This is due to the fact that peace process along the Syrian-Israeli track is extremely slow, despite U.S.-Egyptian mediation efforts.

Although both Syria and Israel cherish the objective in seeking peace, they entertain different views regarding the basis and course that lead to peace.

The diplomatic sources say that Mubarak has communicated to al-Asad a number specific ideas and suggestions that may help in resuming negotiations.

They may also help overcome many of the obstacles which relate to security arrangements, the nature of peace and the timetable of Israeli withdrawal in stages that coincide with the process of normalization.

Hence, Mubarak is making an attempt to push forward the peace efforts and resume bilateral negotiations in Washington, as a compromise approach to the two parties.

Egypt, in fact, is undertaking the role of mediator between Syria and Israel in view of its distinguished relations with Syria and by virtue of its diplomatic ties with Israel.

President mubarak is due to leave Damascus this evening.

Officials Meet With Kuwaiti Oil Minister

Wang Tao on Supply Shortfall

OW0112145594 Beijing XINHUA in English 1406
GMT 1 Dec 94

["China To Intensify Oil Cooperation With Kuwait"—XINHUA headline]

[FBIS Transcribed Text] Beijing, December 1 (XINHUA)—China's rapid economic growth has tilted the scales in its oil industry from exports to imports, with more imports expected in the years to come, according to a high-ranking Chinese official.

Wang Tao, president of China National Petroleum Corporation (CNPC), said that although the country's oil output has maintained a steady one-to-two percent annual rise, its oil supply has fallen short of the demand of overall domestic economic development, which has recorded double-digit growth for the past three years.

"China has huge demands for energy, especially oil and natural gas," Wang told the Kuwaiti Minister of Oil 'Abd-al-Muhsin Mid'aj al-Mid'aj in their discussions here today. The minister is in China on a visit as CNPC's guest.

For quite a long period of time, China was an exporter of surplus oil to other countries. By the end of 1993, however, China's oil imports had begun to be roughly the same as its exports.

"Now it seems that our oil supply will fall short of the increasing domestic demand," Wang said.

In view of this, China constitutes a potentially huge market for the oil-rich Kuwaitis, he added.

So far, there is still no commercial contract covering oil purchases between China and Kuwait, according to CNPC sources.

"China has great potential for development, and represents an enormous market for petroleum," al-Mid'aj said, adding that Kuwait is keen to enter this market of some 1.2 billion consumers.

In their discussions this morning, Wang and al-Mid'aj also touched on the possibility of building and revamping oil refineries in China's coastal areas.

CNPC is responsible for all on-shore oil and gas operations in the country, including islands and shallow water areas to a depth of less than five meters.

Noting a new multi-dimensional drive to open up China's on-shore oil industry, Wang said that CNPC is ready to take in more foreign capital, more advanced technology, and management expertise.

He also voiced the hope that the Chinese oil industry will have more access to oil-related projects in Kuwait, such as oil exploration, development, and construction of infrastructure.

Zou Jiahua Meets Minister

OW0212093094 Beijing XINHUA in English 0910
GMT 2 Dec 94

[FBIS Transcribed Text] Beijing, December 2 (XINHUA)—China said today that it hopes to build on

existing friendly ties with Kuwait and further expand its co-operation with that country in the petroleum industry.

Meeting with Kuwaiti Oil Minister 'Abd-al-Muhsin Mid'aj al-Mid'aj, Vice-Premier Zou Jiahua said, "we are willing to augment our co-operation with Kuwait in oil and other fields, on the basis of existing mutual trust."

Zou described Kuwait as "rich in oil reserves" and "experienced in oil exploration and recovery".

He told the Kuwaiti minister that, with rapid economic growth, China's demands for petroleum are bound to increase year by year.

While relying mainly on its own resources to meet the demands, China is ready to augment co-operation with Kuwait and other friendly countries in oil exploration, petrochemical industry and other sectors, Zou said.

On Sino-foreign oil co-operation outside the country, Zou noted that, through decades of efforts, China now has an experienced force in the oil industry, which is poised to provide more and better labor and technical services to other countries.

Al-Mid'aj expressed his appreciation for China's upholding of justice over the past few years.

He also spoke highly of the performance of Chinese engineers and workers in extinguishing oilfield fires and restoring oilfield facilities in post-war Kuwait.

"China is an enormous market for petroleum," al-Mid'aj said, adding that Kuwait desires to enter the market in the near future.

"At present, we are discussing with our Chinese partners the possibility of establishing joint ventures in China," al-Mid'aj told Zou.

The Kuwait minister is here as the guest of Wang Tao, president of the China National Petroleum Corporation.

Pakistani President To Visit Beijing

Views Upcoming Trip

BK0212111794 Beijing China Radio International in Urdu 1600 GMT 1 Dec 94

[FBIS Translated Text] President Farooq Ahmad Khan Leghari of Pakistan is due to arrive in China. He has said that further development of Pakistani-PRC bilateral relations and cooperation is very important in view of the current changing international situation. He expressed the hope that his proposed state visit to China will help to promote the friendly relations between the two countries in various fields. Leghari said this while giving a joint interview to our correspondent and other Chinese press correspondents in Islamabad prior to his week-long visit to China, which begins on 2 December. It will be President Leghari's first visit to China since

assuming office, and it will also constitute the highest-level contact between the leaders of Pakistan and China. This is why the media of the two countries are paying great attention to the visit.

President Leghari said that the visit assumes great significance. He said that China is a close friend of Pakistan and a neighboring country. Relations between the two countries in political, economic, diplomatic, cultural, and defense sectors have always been very good. The government and the people of Pakistan consider China their most dependable friend and ally. Therefore, leaders of the two countries should continue their high-level exchanges of visits.

Noting that development of economy assumes (top-most) priority in contemporary international relations, Leghari emphasized the urgent need to further strengthen the economic and trade relations between the two countries. He said that China is one of the fastest growing economies of the world, and rapid changes are taking place in that country. Its economic system is [words indistinct]. Foreign investments in China are increasing. Private industrial and trade organizations are playing a far greater role than in the past. As a friend and neighbor, Pakistan is very happy with this development.

President Leghari said that there is immense potential for Pakistan's progress and development in the economic sphere. He said that a macroeconomic stability has been established in Pakistan in a very short time as a result of the economic policies of the present government. What is especially noteworthy is that the total investments secured in the last six months exceeds the amount during the past 47 years. This is a welcome development. President Leghari expressed the hope that Pakistan and China will further consolidate their cooperation in economic and trade spheres. The president also expressed the hope that the two countries will cooperate closely in opening up the trade route from Pakistan to various Central Asian countries through the Chinese autonomous region of Xinjiang, which will positively contribute to the development of the economies of this region. Leghari felt that the two countries should also strengthen their cooperation to safeguard and promote peace and stability in the region.

Referring to Pakistan's foreign policy, President Leghari said that Pakistan's foreign policy is based on peace and stability. Pakistan has been wholeheartedly striving for peace, security, and stability in the region and at the global level. It has been the position of Pakistan that all countries, whether small or big, rich or poor, are equal. The president believes that Pakistan is situated at a meeting point of the Chinese, South Asian, Middle Eastern, and West Asian civilizations, and therefore, Pakistan's geographical position assumes a strategic importance. Pakistan can play an important role throughout the world and the region.

President Leghari expressed his concern over the Kashmir issue, which is affecting South Asian stability.

He believes that Pakistan and India should peacefully resolve the Kashmir issue in accordance with relevant UN resolutions. Simultaneously, he also expressed the hope that China will play a positive role in the peaceful resolution of the Kashmir issue, thereby reducing the existing tension in the relations between Pakistan and India and the chances of confrontation between the two countries. Resolution of the Kashmir issue will thus enable the two countries to mobilize their resources and carry forward the economic reconstruction of their countries and raise the living standards of their respective peoples.

Referring to the Afghan issue, President Leghari said that Pakistan will adhere to its stand of neutrality and continue to wholeheartedly support the UN efforts for a peaceful resolution of the issue. He said that peace and stability in Afghanistan can be ensured only on the basis of respect for the interests of all Afghan communities and rival factions. He also opposed the use of force among Afghan factions.

Pakistani President Interviewed

OW0212113194 Beijing XINHUA Domestic Service in Chinese 1210 GMT 1 Dec 94

[By reporter Hu Xiaoming (5170 0879 2494): "Exclusive Interview: China—the Most Trusted Friend—An Interview with Pakistani President Leghari]

[FBIS Translated Text] Islamabad, 1 Dec (XINHUA)—"We regard China as our most trusted friend; as such, leaders of the two countries should visit each other. I am looking forward to my upcoming visit to China and meeting with the Chinese leaders. Amid the changing world situation, it is even more significant for China and Pakistan to further strengthen bilateral and regional cooperation."

These were the words of Pakistani President Farooq Leghari, who will make an official visit to China from 2 through 8 December, when he granted an interview to Chinese journalists stationed in Pakistan recently.

The scholarly looking president told reporters that his upcoming visit to China is very significant, as Pakistan and China have very close relations. It is certain that traditional mutual visits by leaders of the two countries will further promote their all-round cooperative relations in the political, economic, cultural, and diplomatic fields.

Enthusiastically and gracefully responding to reporters' questions in his presidential drawing room, Leghari said that he obtained in his early years master's degrees in philosophy, politics, and economics from Britain's Oxford University and has a keen interest in economic issues. He said: "political and macroeconomic stability is fundamental to a nation's healthy economic development; it is particularly so under Pakistan's conditions." Highly praising China's economic achievements in recent years, he expressed the hope that the visit will

afford him an opportunity to study China's experience in economic reform and development. Leghari said: China's economic development may be the fastest in the world; as a friend and a neighbor, we are delighted over this. China is changing rapidly; its economic system is in a process of transformation; foreign investments are numerous; and privately owned enterprises are playing an increasingly important role. Similarly, great changes are taking place in Pakistan. Introducing policies to promote the development of a market economy, we have succeeded in absorbing large private investment in the energy field, with a sharp increase in foreign reserves in the past year or so. As such, the potential for Pakistani-Chinese economic cooperation is great. It is hoped that bilateral trade between the two countries will expand in the future.

He pointed out: Although China, Pakistan, and the Central Asian nations have great potential in complementing each other economically, this mutual support has not been fully exploited. Close Sino-Pakistani cooperation in opening up inland trade with the Central Asian countries will be very beneficial.

During the conversations, Leghari also expounded on the diplomatic norms Pakistan has been pursuing. He said: Pakistan has been active in seeking regional and even world peace, security, and stability, advocating that all nations—big or small, rich or poor—should be equal. Pakistani-Chinese cooperation in promoting regional peace and stability is essential.

Discussing his upcoming visit to China, Leghari said excitedly: "Although I have never been to China, I have gained some knowledge of China through books I read during my school days. I am very pleased to be able to visit China with members of my family and see great China with my own eyes."

After the interview, Leghari posed for a group photograph with the reporters, hoping that the latter would convey his friendly feelings to the Chinese people.

Arrives in Beijing

BK0212123294 Islamabad Radio Pakistan Network in English 1100 GMT 2 Dec 94

[FBIS Transcribed Text] President Farooq Ahmad Khan Leghari was accorded a very warm welcome when he arrived in Beijing this afternoon for a week-long visit to China. At the airport, the minister-in-waiting, Mr. Liu Jiang, greeted the president. Heads of diplomatic missions, leaders of Pakistani organizations in China, students, and other members of Pakistani community were also present. In China, normally a vice minister is deputed as minister-in-waiting for heads of state visiting the country. However, because of special relations with

Pakistan, the Chinese Government has appointed a full-fledged cabinet minister to be minister-in-waiting for President Leghari.

Later, the president and his entourage proceeded to Great Hall of the People for formal welcome ceremony.

In a statement on arrival at Beijing airport, the president expressed his delight on the visit to China which, he said, symbolizes sincere and reliable friend in the hearts and minds of Pakistani people. The president said he was looking forward to hold friendly and fruitful talks with Chinese leaders on regional, international, and bilateral matters. He described the decades-old Pakistan-China friendship and cooperation as a significant model of interstate relations and also a factor significant for maintenance of peace and stability in the region. Both the countries, he said, have similar priorities and concerns. He hoped that bilateral relations and cooperation will be further strengthened. He said during his visit to Shanghai and other cities he would gain experience about China's remarkable achievements in agricultural and industrial fields, which are a model for developing nations in general and for Pakistan in particular.

The president's entourage includes, among others, the defense minister, Mr. Aftab Shaban Mirani; NWFP [North-West Frontier Province] Governor, retired Major General Khurshid Ali Khan; the Balochistan chief minister, Nawab Zulfikar Ali Magsi; and several elected representatives.

Jiang Zemin Welcomes Leghari

BK0212141694 Islamabad PTV Television Network in English 1300 GMT 2 Dec 94

[FBIS Transcribed Text] President Farooq Ahmad Khan Leghari was accorded a warm welcome at the Great Hall of the People when he arrived in Beijing today on a week-long state visit to China. At the Great Hall, the Chinese president, Mr. Jiang Zemin, received his Pakistani counterpart. A 21-gun salute was given at the Pakistani president's arrival at the Great Hall of the People. Both the presidents warmly shook hands. Chinese children dressed in beautiful traditional clothes presented bouquets to the president of Pakistan.

The Chinese president, Mr. Jiang Zemin, introduced to the president, Mr. Farooq Ahmad Khan Leghari, his country's senior officials present on the occasion. Pakistani president also introduced his delegation members to the Chinese leader. National anthems of both China and Pakistan were played. President Leghari was presented guard of honor by the three services.

The two presidents also discussed informally various issues of mutual interest. On this occasion, some members of president's entourage and high-ranking Chinese officials were also present.

Political & Social**'Local Lords' Prepare for Post-Deng Era***HK0212103094 Hong Kong HSIN PAO in Chinese
2 Dec 94 p 15*

[Article by Chang Li (1728 4539): "Local Governments Comply With the Central Government in Public, But Oppose It in Private"]

[FBIS Translated Text] Strengthen the authoritativeness of the central authorities, restrain local lords. When local lords gathered in Beijing to attend the economic conference, RENMIN RIBAO warned in a stern tone of "separatism and localism."

Since this year, when they deliberated problems, Beijing's senior level, local authorities, and various political forces all have centered on the reality that Deng may die at any moment, and they have made preparations for the post-Deng era.

Although people everywhere are still talking about the economy, investment, reform, and opening up, whereas leaders have departed one after another for foreign visits and the cities are as prosperous and peaceful as before, since the party congress this year, the rectification of party affairs and personnel adjustments in the provinces and cities have been underway quietly.

At present, the CPC Central Committee, with Jiang Zemin as the core, is most worried about its inability to control local forces after Deng dies. Jiang, Li, and Zhu have no outstanding merits, whether in terms of qualifications, status, or contributions. Although the local lords are not going so far as to confront the central authorities at this time, quite a number of them comply with the central authorities in public, but oppose them in private. This is the case, even with Deng alive, so it will be difficult to predict things when Deng is no longer around. Deng has not yet gone, and the central authorities are grasping the opportunity to strengthen the authoritativeness proceeding from organization, discipline, and a show of might, so the possibility that one or two disobedient local lords will be removed is one that cannot be excluded.

Party Elder Peng Zhen Makes 'Comeback' in Capital*HK0212060994 Hong Kong SOUTH CHINA
MORNING POST in English 2 Dec 94 p 13*

[By Willy Wo-Lap Lam]

[FBIS Transcribed Text] Powerful party elder Peng Zhen has made a comeback to the media limelight, complicating the scenario for the post-Deng Xiaoping succession. Mr Peng, 92, a former chairman of the National People's Congress, has made what his friends in Beijing call a "near-miraculous recovery" from cancer and made frequent appearances in the capital.

Since the veteran, who used to be in charge of the legal and security apparatus, is considered a conservative, his "reappearance" is thought to bode ill for Mr Deng's plan to pass the baton to a reformist leadership. Political sources said Mr Peng might ally himself with such other conservative elders as Chen Yun and Song Ping in picking the new generation of cadres.

Recently, however, there have been indications that Mr Peng, also a former Beijing mayor, might have sent signals that he was willing to make a compromise with the Deng camp.

The Chinese press reported yesterday that Mr Peng had last month visited the Capital Iron and Steel Works (Shougang), whose management had benefited from the patronage of the Deng family. The reports quoted Mr Peng as telling the head of the corporation, Zhou Guanwu, that he saluted him as well as other staff. "You have done a good job," Mr Peng said. "Shougang has made contribution to the party, the country and the people."

Sources close to the major state plant said it was significant that Mr Deng had visited Shougang in May 1992, when the chief architect of reform announced many preferential policies for the company. They included the freedom to set up a bank and to open branches in Hong Kong and abroad. Senior executives of Shougang, including Mr Zhou, are known to be "family friends" of the entire Deng household. By coincidence, Mr Zhou was chosen one of the "Ten Men of Reform" in the first such competition held in China.

Analysts said Mr Peng's visit to Shougang could be a sign that in return for political favours to his family and his proteges, he would be willing to throw his support behind Mr Deng's reforms. Meanwhile, the Chinese media has continued to build the reputation of Mr Deng. The latest book on the patriarch, *Deng Xiaoping in Jiangxi*, was published yesterday in Nanchang where Mr Deng launched a number of insurrections in the 1930s. The book eulogised Mr Deng's efforts then in fighting against "leftism".

Beijing has been full of speculations that Mr Deng had last month left the capital for a tour of Shanghai, Nanjing and Wuhan.

Article Hails Memory of Burhan Shahidi*HK0112120694 Beijing RENMIN RIBAO in Chinese
13 Nov 94 p 5*

[Article by Wang Enmao (3769 1869 5399): "Cherish Memory of a Great Patriot—Marking Centenary of Burhan Shahidi"]

[FBIS Translated Text] Comrade Burhan Shahidi has passed away, but his noble spirit of devotion to communism and his noble quality of a great patriot will live forever. People of all nationalities will always remember him and respect him.

The life of Comrade Burhan Shahidi was one of seeking brightness, truth, and progress. As I remember, in 1949, the People's Liberation Army won a decisive victory throughout the country. In the battlefield in the northwest, the 1st Field Army liberated Lanzhou while the 1st Corps and the 2d Corps of the 1st Army liberated Xining. In order to liberate Xinjiang quickly, the 2d Corps did not rest. Instead, its soldiers crossed the snowy Qilian Shan in very bad weather conditions and thrust into Zhangye in the Hexi corridor directly. Then they advanced into Jiuquan, readying themselves for the liberation of Xinjiang. At that time we received several telegrams from the Central Committee sent by Comrade Deng Liqun from Dihua (today' Urumqi) to the party Central Committee. So we knew that Burhan Shahidi, chairman of the Kuomintang provincial government of Xinjiang, stood firmly for a peaceful uprising. Comrade Deng Liqun was then the liaison man of the Central Committee. He went to Dihua from Moscow to meet Burhan Shahidi and was warmly received. Burhan Shahidi personally made secret arrangements for Comrade Deng Liqun to stay at his home. Comrade Deng Liqun talked about the victorious situation in the Liberation War in the whole country and Chairman Mao's position and policy on the peaceful liberation of Xinjiang, which Burhan Shahidi fully agreed with and supported. In return, Burhan Shahidi told Deng that he and Tao Shiyue were prepared to stage a peaceful uprising and he actively pushed ahead and supported Tao Shiyue's peaceful uprising and at the same time supported progressive forces in favor of a peaceful uprising among the Kuomintang Army stationing in Xinjiang. He asked Comrade Deng Liqun to send a telegram to Chairman Mao to express "his determination to divorce from the reactionary Kuomintang government" on 9 September. Chairman Mao said in his reply telegram: "Hope you can contact various patriotic and democratic elements, coordinate the operation to enter Xinjiang by the People's Liberation Army, and strive for the complete liberation of Xinjiang." On 25 September, Tao Shiyue circulated a message on the uprising, while Burhan Shahidi circulated a message on 26 September. On the day of the uprising, Burhan Shahidi held a provisional, urgent meeting of the members of the provincial government to declare a split from the Kuomintang government in Guangzhou. Burhan performed historical feats in the peaceful liberation of Xinjiang.

While Comrade Burhan Shahidi worked as chairman of the people's government of Xinjiang, he took part in and led the three-year work on the rehabilitation of the national economy and the implementation of the nation's First Five-Year Plan for the development of Xinjiang's socialist construction. By the year 1954, Xinjiang's gross output of industry and agriculture had increased by 86.8 percent compared with 1949, of which the industrial rate was 2.51 times more than in 1949, while the agricultural rate had grown by 59.38 percent. Having realized self-sufficiency in grain, they had a grain

surplus. At the same time, they managed to stabilize finances and prices so that the lives of the people of all nationalities improved.

The greatest contribution made by Comrade Burhan Shahidi in his life was that he had spared no effort to maintain the unification of his country and the unity of all nationalities. Taking a firm stand in the interests of the people of all nationalities, he absolutely supported whatever was favorable to the unification of the country and the unity of the people of all nationalities and absolutely opposed whatever was unfavorable to the unification of the country and the unity of the people of all nationalities.

Burhan Shahidi was born into a poor peasant family of an overseas Chinese in a village in Tetyushi County of Kazan Province, Russia. The hardship and difficulties he experienced in his life enabled him to be aware of the corruption of the exploiting classes and understand the sufferings of the working people. The thunder of the big guns of the October Revolution in the Soviet Union brought the progressive ideas of Marxism to Xinjiang, and he was influenced by these progressive ideas. In 1929, he went to Germany to study. During his stay there, he studied Marxist theory privately. In 1932, on his way home via Moscow, he contacted the CPSU and joined the revolutionary work. After returning home in 1933, he contacted CPC party members in Xinjiang like Comrade Yu Xiusong, and joined the progressive Anti-Imperialism Society. When Comrade Burhan Shahidi had these basic ideas, he wrote a poem "Salute to Mao Zedong" while he was imprisoned by Sheng Shicai. In the poem he wrote: "...You have opened the way to truth, freedom, the liberation of workers, and their happiness.... I am a star illuminated by your brilliance," which embodied his boundless, deep love for Chairman Mao. Shortly after the peaceful liberation of Xinjiang and the establishment of the Xinjiang Branch Bureau of the CPC Central Committee, Burhan Shahidi applied to join the CPC, expressing his understanding of the Communist Party in detail.

Recommended by Comrades Wang Zhen and Xu Liqing and examined by the party organization, Burhan Shahidi was exceptionally accepted as regular member of the CPC on 31 December 1949. Then he was a member of the Standing Committee of the Xinjiang Branch Bureau of the CPC Central Committee. After joining the party, Comrade Burhan Shahidi was strict with himself in accordance with the standards for party members. He studied Marxism-Leninism Mao Zedong Thought conscientiously as well as the line, guiding principles, and policies of the party.

He worked harder and more actively took part in democratic reforms, socialist transformation, and socialist construction, while striving for the construction of democracy, civilization, unity, prosperity, and the

strength of Xinjiang. Burhan Shahidi paid great attention to unity inside the party, obeyed democratic centralism, and upheld the collective leadership. He thoroughly carried out the line, guiding principles, policies, and decisions of the party committee. In 1955, when Xinjiang Uygur Autonomous Region was established, the Central Committee decided to transfer him to Beijing. When the comrades from the Central Committee consulted him about this matter, he replied immediately: "I am a party member. I will resolutely obey the decision of the party organization. I will work wherever the party directs me." He was open and honest in performing his official duties, thrifty and simple in his life, amiable and easy to approach, and close to the broad masses of the people. He deserved to be an outstanding representative of the Uygur people.

The spirit of a loyal communist fighter like Comrade Burhan Shahidi was combined completely with his spirit as a great patriot.

When we mark the centenary of the birth of Comrade Burhan Shahidi, we should conscientiously study Comrade Burhan Shahidi's great patriotic spirit. Under the leadership of the party Central Committee with Comrade Jiang Zemin as the core and the theoretical guidance of building socialism with Chinese characteristics put forward by Comrade Deng Xiaoping, we should firmly carry out the party's basic line, uphold the unification of the country and the unity of all nationalities, and strive for the realization of common prosperity for all nationalities.

Party, Government Ordered To Sever Business Links

HK0212060094 Beijing ZHONGGUO XINWEN SHE in English 1310 GMT 1 Dec 94

[FBIS Transcribed Text] Beijing, December 1 (CNS)—China's Party and government organs have been requested to disconnect from those companies and enterprises run by them by the end this year. Various kinds of relationships including function, finance, personnel and name between these political bodies and their business entities have to come to an end.

The General Office of the Central Committee of the Communist Party of China and the General Office of the State Council have already circulated a document formulated by the State Economic and Trade Commission on this matter. The commission put forward recently proposals for implementation of the regulations.

The separation practice is considered significant to elimination of corruption, promotion of the build-up of clean administration and to pushing forward establishment of the socialist market economy system.

With a fever of business running seen in recent two years, there are some one million companies of various kinds rising across China while quite a lot of them are operated by Party and government organs. Corruption

including abuse of power in return for money took place which aroused great concern in society.

The commission stressed that economic entities run by Party organs at the level of county and above, National People's Congress bodies, judicial and procuratorate organs as well as government departments especially those responsible for public security, national security, supervision, judicature, audit, taxation, administration of industry and commerce, land administration, customs, technological supervision and commodities inspection bureau as well as their working offices had to be shifted to large enterprise groups, comprehensive companies as well as to other state-owned enterprises for running. A total disconnection has to be completed by the end of this year in terms of function, finance, personnel and name borne by business entities which are closely related to their respective Party and government organs to which they belong.

The commission further pointed out that these business entities were not allowed to be operated by service institutions which carry the administrative function given by the government or those institutions authorized by the government to issue certificates of legal binding. The business bodies are also not allowed to be run by law firms, accountants firms and auditing firms.

Party cadres and government officials are not permitted to do part-time job in these business bodies, according to the commission. Those working with these entities have to tender resignation from either job they hold at the same time. Business bodies bearing the name of a particular government organ have to get their name changed by the end of the year.

Official on Three Gorges Resettlement Plans

HK0212104694 Beijing ZHONGGUO XINWEN SHE in Chinese 0632 GMT 30 Nov 94

[By staff reporter Liu Hong (0491 4767): "China's Unique Creation: Development Resettlement in Three Gorges Reservoir Areas—Interview With Tang Zhangjin, Head of Resettlement and Development Bureau Under the State Council's Three Gorges Project Construction Committee"]

[FBIS Translated Text] Beijing, 30 Nov (ZHONGGUO XINWEN SHE)—A dream of the Chinese people for the past 100 years, construction of the world-renowned key water conservancy project in the three gorges of the Chang Jiang, will officially begin after 40 years of planning and debates, and nearly three years of preparation.

Resettlement is smoothly underway, and it is a top priority. Some 15,000 people have to be resettled from the dam areas, and it is expected that the move will be completed by the end of this year. The planning, funds, and construction for resettling 1 million people from the reservoir areas are being implemented, phase by phase and batch by batch, according to schedule, laying a foundation for a large-scale move.

Recently, the reporter from this news agency interviewed Tang Zhangjin, head of the Resettlement and Development Bureau under the State Council's Three Gorges Project Construction Committee, and he revealed some encouraging information.

Resettle 1 Million Migrants in Nearby Places

The area of the water surface in the Three Gorges reservoir is 1,084 square km, and after deducting the water surface of the original river channel, the area of land to be inundated is 632 square km. The areas to be inundated involve 21 counties (cities) in the two provinces of Hubei and Sichuan.

As the Three Gorges project adopts the plan of "first-class development, once-and-for-all construction, storing up water phase by phase, and relocating people continuously," so in the resettlement and construction period—which will last for 17 years—the ultimate number of people to be resettled will reach 1.2 million, when the factor of natural population growth is also considered.

How can such a large number of people be resettled? Tang Zhangjin gave an optimistic answer: The 300,000 mu of farmland and orchards to be inundated is only 2.6 percent of the total area of farmland in the 21 counties (cities) that will be affected by the inundation. The 840,000 people who now live below the inundation line are spread among some 300 towns and townships along the 2,000-km Chang Jiang and its tributaries, and they account for a small proportion of the total population in each of the counties (cities). The county to be affected most is Yunyang County, where 111,000 people will be affected, accounting for 9.1 percent of the county's total population.

Among those to be resettled, more than half are urban residents, who will be able to engage in their original professions after the relocation. Those needing arrangements for new employment are mainly the 300,000 rural residents. According to Tang Zhangjin's analysis, the 21 counties (cities) in the reservoir areas have relatively rich resources, as well as an environment for accommodating migrants through exploration. For example, in the areas for resettling migrants, there are tens of thousands of mu of arable barren land and low-yielding farmland which can be cultivated or transformed; there are over 50 kinds of mineral resources to be developed; and there are conditions for the development of such tertiary industries as transport, construction, and the tourist industry; so as long as the plan is well formulated and implementation is well organized, the migrants in an absolute majority of the counties can be properly resettled in their own counties. As for the migrants in a few of the counties who need to be resettled elsewhere, overall arrangements will be made for them by the provinces.

Initiate Development Resettlement

There is no better way to prevent floods in the middle reaches of the Chang Jiang than the building of the Three

Gorges dam. Besides, the Three Gorges project has the comprehensive advantage of power generation and improvement of the navigational channel. Therefore, the Chinese Government has made up its mind to implement development resettlement, viewing the resettlement of 1 million people as the crux in the Three Gorges project. According to the joint estimate by the relevant departments and experts, a total of 40 billion yuan is required for resettlement in the Three Gorges project, and this is calculated on the basis of the price at the end of May 1993.

Tang Zhangjin said that over the past 45 years, the country has built more than 80,000 reservoirs and resettled nearly 10 million people from those reservoirs, and that on the premise of summing up the experiences and lessons in relocating the people from these reservoirs, the government has decided to implement the policy of development resettlement in the Three Gorges reservoir areas. The basic features of this policy are: Drop the past method whereby the people who are relocated from reservoirs are viewed simply as objects for compensation; the relevant people's governments now will organize and exercise leadership over resettlement work, formulate overall plans, control resettlement funds centrally, and make thorough arrangements for the production and daily life of the migrants once they are relocated, so that they are well taken care of, and long-term stability and order are maintained as a result.

Among the migrants, those who are suitable for agricultural jobs should participate in large-scale agriculture, such as farming, forestry, orchards, fishery, and animal husbandry, while those who are suitable for industrial jobs should go to towns and cities to participate in industrial production. At the same time, more jobs will be created in the tertiary industry sector so as to ensure that the old and new residents in the resettlement areas can improve living standards together, and so that the economies in the reservoir areas can grow more rapidly and steadily, and the reservoir areas will have a good cycle of ecological environment.

Pilot Project of Resettlement in Reservoir Areas a Success

Since 1984, the central government has allocated special funds to carry out a pilot resettlement project in the reservoir areas. Up to the end of 1992, over 200 million yuan had been spent on the pilot project, more than 80,000 mu of barren land had been cultivated to accommodate the migrants, some 40,000 mu of farmland had been equipped with simple irrigation facilities and other production facilities, and it is estimated that more than 70,000 peasants can be resettled as a result. All the farmlands are terraced, and practice has proven that the economic and environmental returns are very good. In the urban areas where trial resettlement has been carried out, over 60 million yuan have been spent to build road, bridge, water supply, communications, and other projects, and the comprehensive returns are very prominent. Meanwhile, the state has decided to build the

Three Gorges reservoir areas into an open economic zone, and to allow it to practice the policy being practiced by the open coastal economic zones.

Tang Zhangjin believed that although more than 1 million people in the Three Gorges reservoir areas must be resettled, and the difficulty is great, with effort their resettlement can be done well; that a series of effective measures adopted by the state has brought unprecedented opportunities for economic and social development in the reservoir areas; and the Three Gorges reservoir areas surely will change the old pattern of long-term poverty, and gradually will become a new economic zone in the upper reaches of the Chang Jiang which has economic prosperity and a beautiful environment.

Health Official Views Threat From AIDS

HK0212051394 Beijing ZHONGGUO XINWEN SHE
in English 1349 GMT 1 Dec 94

[FBIS Transcribed Text] Beijing, December 1 (CNS)—Today is the "World AIDS Day" with its theme of "AIDS and Families". Director of the Sanitation and Antiepidemic Department of the Ministry of Public Health, Mr. Dai Zhicheng, called for paying more attention to AIDS and expressed that China was quite capable of reducing the harmfulness caused by this fatal disease to minimum.

According to the latest information released from a conference recently held here on current situation of AIDS and its influence to society and economic development in China, some 1,550 AIDS cases have been so far discovered in the country with full-blown AIDS sufferers being 43 in number. In Beijing, capital of China, some 23 cases of this kind were confirmed this year alone with 15 HIV carriers being Chinese citizens. Media in the country is loudly appealing: AIDS is increasingly endangering people's health in the country.

China had its first AIDS patient discovered within the country in 1985 and shortly after then, a network for keeping watch on this disease was set up in the country. By the end of May, last year, the Ministry had set up centres for monitoring AIDS-virus in 13 provinces and municipalities as well as 160 posts for this purpose across the country. In addition, some 200 laboratories for monitoring this fatal virus had also been set up at various provinces, municipalities and autonomous regions. According to statistics of relevant departments, over 300 HIV carrying foreigners were denied of entry of China by the country's health quarantine departments at its border check points and over 1,200 AIDS-infected Chinese citizens were sent to AIDS virus curing centres for treatment [sentence as received].

According to authoritative sources, the State Council's policies on prevention and treatment of AIDS and the "Strategical Programme on Prevention and Treatment

of Venereal Diseases and AIDS (1995 - 2000)" formulated by the Ministry will come into force early next year.

In fact, a special group of the Policy Research Office under the State Council has earlier put forward its proposals to relevant departments on carrying out health education among citizens across the country with their content covering media's compulsory publicity on prevention and treatment of AIDS, education on knowledge of AIDS among pupils and students in primary and middle schools as well as colleges and universities. Such education should also be carried out among prostitutes and prostitute-visitors in detention. Various sexual-related services must be strictly prohibited.

Beijing Marks 'World AIDS Day,' Updates Statistics

OW0112172694 Beijing XINHUA in English 1543
GMT 1 Dec 94

[FBIS Transcribed Text] Beijing, December 1 (XINHUA)—Beijing has provided consultations and spread information about AIDS to mark "World AIDS Day", which was officially set for today.

All major hospitals in Beijing set up consultation services on the spot to answer questions about AIDS. Municipal departments concerned with this have been holding a sexual awareness program in Zhongshan Park near the Tiananmen Square these days, attracting thousands of visitors.

The Beijing television also broadcast a special program on the topic of AIDS and the family tonight.

The Chinese capital has discovered 81 carriers of the HIV virus, 23 of whom were newly revealed this year. Among the carriers, 41 are foreigners and 22 are Beijing residents. The former have been ordered to leave China, according to government sources.

China set up its AIDS checkpoints at border crossings in 1985. By August last year, 307 people who had been found to be carriers of the HIV virus had been refused entry into China.

According to the World Health Organization, there are altogether 16 million HIV carriers around the world, including 4 million AIDS patients.

High-Ranking Cadre Sentenced for Leaking State Secrets

HK0212061394 Hong Kong SOUTH CHINA
MORNING POST in English 2 Dec 94 p 13

[By Zhang Weiguo]

[FBIS Transcribed Text] A former Shanghai Communist Party cadre has reportedly been arrested and sentenced for "leaking important state secrets", informed sources said. Chen Xiaodong, a former cadre of the Shanghai Communist Party Committee, was arrested in Shanghai

by state security agents on October 22 last year. Soon after his arrest, security agents searched his home and took away all his articles, computer disks and identity documents.

According to a recent internal directive issued by the Shanghai Communist Party Committee to the media, Chen was accused of "leaking important state secrets". Informed sources said Chen was recently given a one-year suspended sentence. They said state security agents had wanted Chen to confess that he had "colluded with foreigners" during his trial.

Since Chen was arrested in October last year, the sources said he had already served his "suspended" sentence. According to Shanghai sources, Chen first got into trouble over an article he wrote about the Communist Party General Secretary Jiang Zemin. They said the article contained nothing sensitive and was mainly about the "honest and clean" lifestyle of the General Secretary when he was in Shanghai.

Chen who was then a cadre of the Shanghai Communist Party Committee wrote the article based on the information provided to him by another Shanghai cadre who had served Mr Jiang and his family for more than four years, the sources said. But the article had apparently angered Mr Jiang who ordered Zhu Rongji who was then the Shanghai Mayor to "thoroughly investigate" the article.

Chen and his "informant" were subsequently disciplined and removed from the Shanghai Communist Party Committee and Chen was transferred to magazine called the Shanghai Pictorial. But Chen was later sacked by the magazine after he wrote another article called The General Secretary Has Got Me Into Trouble.

Crime, Punishment for 16-30 November

HK0112102094

[FBIS Editorial Report] The following is a compilation of reports on crime, investigations, trials, sentencings, and other judicial-related activities in the PRC monitored by Hong Kong Bureau during the period 16-30 November 1994. The source and mode of processing are given in parentheses at the end of each entry. Certain reports deemed more significant may have been filed separately, in which case the summary will include the serial number of the separately filed item.

As evidenced by the stories listed below, during the month PRC crime reportage focused on drug and gun smuggling and government crackdown on economic crime.

Henan Smashes Forged Ligation Certificate Ring, Leader Executed

In November 1991, the supervision bureau of Henan Province's Lin County discovered forged tubal ligation certificates circulating in Taoyuan village, traced them to the then-Lin County No. 2 People's Hospital, and

reported the case to the provincial supervision bureau. The provincial party committee quickly formed an inter-departmental task force, which solved the case. Yu Jianan, vice president of Linzhou City (formerly Lin County) No. 2 People's Hospital, was found to be behind the certificate scam. Assisted by Sun Changsheng, hospital administrative officer, and Yuan Baochang, a town family planning office deputy director—both of them party members—and three peasants named Wang Linsheng, Sun Jiquan, and Jin Tianxi, Yu sold 448 ligation certificates to people with forged hospital physicians' signatures for a total of 195,725 yuan, of which he got 121,650 yuan, Sun Changsheng 33,430 yuan, Wang Linsheng 8,250 yuan, Yuan Baochang 5,300 yuan, Jin Tianxi 14,445 yuan, and Sun Jiquan 4,050 yuan. The central, provincial, and city authorities all heard of the case. In March 1993 the county party committee and government expelled Yu Jianan, Sun Changsheng, and Yuan Baochang from the CPC and stripped them of all official duties. For the bribery convictions, the Anyang City Intermediate People's Court sentenced Yu Jianan to death with permanent deprivation of political rights, Sun Changsheng to life imprisonment with permanent deprivation of political rights, Wang Linsheng, Yuan Baochang, and Jin Tianxi to 15 years imprisonment and deprivation of political rights for five years, and Sun Jiquan six years imprisonment. Yu Jianan's appeal was rejected by Henan Provincial High Court and his sentence upheld. Yu was executed on 18 October. (Summary) (Beijing ZHONGGUO JIJIAN JIANCHA BAO in Chinese 19 Nov 94 p 2)

Guangxi Authorities Thwart Gun, Drug Smugglers Near Vietnam Border

Local authorities across Guangxi are mounting crime-busting operations amid "brisk" gun and drug smuggling activities taking place during Vietnam's dry season. Ningming County police solved three gun smuggling cases, seized 19 military-issued firearms, 439 rounds of ammunition, and 1.05 kg of heroin, and killed three resisting criminals in a three-day operation from 11 to 13 November. On 11 November, Ningming Public Security Bureau was tipped off about two Vietnamese that day riding Train No. 512 bound for Nanning. The two were arrested at Nanning Station and found to have 1.05 kg of heroin on them. On 13 November, the same bureau learned that a multinational firearms gang had sneaked across the border. Police squadrons intercepted three of them at a mountain pass and killed them all in a gun battle. Seventeen 17 military-issue firearms and 34 rounds of ammunition were seized. The same day another anti-smuggling team arrested two gun smugglers in a border town and seized two firearms, also military-issue. (Summary) (Hong Kong WEN WEI PO in Chinese 30 Nov 94 p A3)

Guangdong Inspects Anticrime Results

On 19 November, the 10 inspection groups dispatched by the Guangdong provincial party committee and provincial government to check the results of eliminating

prostitution, gambling, and drugs gave reports on the results of the campaign in various localities. According to their reports, the local leaders did attach importance to the task, the campaign was focused on punishing organizers and behind-the-scenes supporters and patrons of such criminal activities, and marked results were achieved. However, the task remains arduous. In some places, prostitution is still going on secretly, and is even running rampant again. In some places where problems are serious, prostitution has not been effectively banned. In Zhao Town of Yangjiang, the situation is quite serious. The shampoo parlors and other recreational places are still the haunts of prostitutes and their customers.

Chen Shaoji, standing committee member of the provincial party committee and secretary of the Political Science and Law Committee, required that all local authorities concerned give further publicity to the laws and regulations, give more effective legal education to the public, continue to intensify the crackdown, maintain the strong anticrime momentum, resolutely eliminate the haunts of evildoers as soon as they are discovered, and make breakthroughs on key points. All functional and law-enforcement organs should establish work rules, effectively manage the recreational places according to established laws and regulations, and consolidate the results that have been achieved. (Text) (Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 20 Nov 94)

Yunnan Reports Progress in Managing Economic Crime

On 14 November the Yunnan provincial news office and provincial procuratorate held a news briefing on the results of handling "major" economic cases in July, August, and September throughout Yunnan. From July to September this year, procuratorates in the province handled 1,008 bribery cases, up 31.9 percent over the same period of last year; 319 economic cases involving more than 10,000 yuan; 12 "major" crimes involving county-sectional-level cadres; and 118 corruption and bribery cases involving city departmental personnel. As a result, economic losses totaling 17.83 million yuan were recovered, an increase of 44.6 percent over the same period of last year. The news briefing also announced the following six "major and important" cases: 1) Meng Yong, director of the executive office of the provincial economic and trade commission, accepted bribes of 30,000 yuan when purchasing sedans from August 1993 to February 1994; Meng Yong has been arrested. 2) In February 1993, Zhang Dingning, deputy secretary of the Lincang County CPC Committee and county chief, in collaboration with Dong Daren, director of the county land bureau, embezzled 200,000 yuan of the bureau's money for speculation in sedans, from which Zhang profited 15,000 yuan; Zhang Dingning has been arrested. 3) Yang Tingan, general manager of the Chuxiong City Foreign Trade and Economic Corporation, when purchasing and marketing tobacco from October 1992 to March 1993, accepted bribes of 200,000

yuan; he has been arrested. 4) Xie Boming, deputy director of the No. 8 rubber plantation on Jinghong farm, forged letters to embezzle 280,000 yuan; he has been arrested. 5) Zhou Zhaowen, director of the rehabilitation center of the Zhaotong City Public Security Bureau, grafted public money of 7,000 yuan. After this was discovered, more than 100,000 yuan from unidentified sources was seized in his home; Zhou Zhaowen has been arrested. (Summary) (Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 14 Nov 94)

Guangxi's Beisi Prefecture Steps Up Anti-Crime Campaign, Executes 19

Beisi Prefecture in Guangxi has intensified anti-crime activity since September this year and has achieved definite results. Pingguo County examined 148 road-side shops in the county town, cracked 68 prostitution cases, caught 103 lawbreakers, and closed down 13 gambling dens. The law enforcement institutions in the prefecture quickened the process of investigation, prosecution, and trial and raised the quality of law enforcement work by introducing the mechanism of competition and awards. This effectively aroused the initiative of police officers. Since September, 45 percent of the tasks of rounding up criminals at large have been completed and 404 criminals have been arrested. The law courts at the prefecture and county levels completed the trials of 111 criminals; 19 were sentenced to death and executed. (Summary) (Nanning Guangxi Regional People's Radio Network in Mandarin 1130 GMT 17 Nov 94)

Nanning Customs Cracks Down on Pornography, Contraband

The Nanning Customs in Guangxi intensified examination of imported printed matter and audio-visual products and banned the import of items containing "reactionary, pornographic, and feudal superstitious" content. Marked results were achieved in the work of eliminating pornography. Between January and October, the customs discovered and confiscated 4,687 contraband items, including 30 audio-visual products. The customs office in Nanning Post Office intercepted over 3,000 contraband printed items with "reactionary, pornographic, and superstitious" content, and more than 10 contraband audio-visual products. (Summary) (Nanning Guangxi Regional People's Radio Network in Mandarin 1130 GMT 17 Nov 94)

Guangzhou Customs Reports Achievements in Anti-Smuggling Activities

In the first 10 months of 1994, Guangzhou Customs cracked down on over 210 smuggling cases involving 300 million yuan, effectively curbing the rampant smuggling activities there. The smuggled goods captured by Customs included cars, motorcycles, air-conditioners, narcotics, false RMB banknotes, steel products, refined oil, plywood, chemical materials, foreign currency, pornographic material, and cardboard. According to Customs,

smuggling is rampant. The smuggling of cars, cigarettes, high-grade consumer goods, steel products, refined oil, and plywood has had a great impact on China's economy. Smuggling by means of the "three forgeries"—forged documents, forged seals, and forged customs' signatures on documents—is rampant, and smuggling through false declaration, hiding smuggled goods among normal ones, and illegal shipment are also very serious. Smuggling of bonded goods and goods with tax reduction or tax exemption are very difficult to stop. In addition, the participation of enterprises and institutions in smuggling is also popular. A Customs official said that Customs had recently launched a joint campaign to focus on serious smuggling cases and strengthened punishment on illegal activities. Since the beginning of the campaign, seven major cases involving over 10 million yuan have been handled and smuggled goods seized including stereos, personal computers, stibium, cars, duplicators, and textile materials. (Summary) (Beijing ZHONGGUO XINWEN SHE in English 1346 GMT 29 Nov 94)

Shenzhen Police Seize 2.4 Million Yuan of Counterfeit Currency

According to the relevant Shenzhen department, as of 15 November, Luohu sub-bureau of the Shenzhen Municipal Public Security Bureau has cracked eight renminbi counterfeiting cases and seized 2.4 million yuan in counterfeit renminbi, in 50- and 100-yuan notes. While investigating one case, Luohu police learned that the counterfeit renminbi had been purchased in coastal areas of Chaozhou and Shantou and had been smuggled in from overseas. (Summary) (Beijing ZHONGGUO XINWEN SHE in English 0946 GMT 16 Nov 94)

Shenzhen Achievements in Winter Crime Crackdown

According to Shenzhen Public Security Bureau statistics, since launching the "winter drive to crack down on crimes," between 1 and 20 November the municipality solved 906 criminal cases of various kinds, 415 of them "serious cases," and captured 1,144 criminals. At the same time, 154 criminal groups with 544 culprits were smashed and many criminal tools were seized including 27 guns of various kinds, 1,492 bullets, 46 vehicles, and 57 motorcycles. At present, there are more than 5,400 persons patrolling the streets day and night; more than 1,100 policemen from Baoan public security patrol the main sections of the highway between Guangzhou and Shenzhen, efficiently subduing criminal activities in those places. Public order in Shenzhen has been much improved since the winter drive was launched. (Summary) (Beijing ZHONGGUO XINWEN SHE in English 0853 GMT 24 Nov 94)

Six Criminals Executed, Nine Sentenced to Death in Beijing

Six criminals were executed in Beijing Wednesday (30 November) and nine more were sentenced to death for crimes including murder, rape and armed robbery, the Beijing Evening News said. Ma Hongyan, Ni Xilong,

Wang Wei, Zhu Hong, He Yibin, Zhuang Guangli were executed after the Beijing Higher People's Court upheld the death sentences passed down by the Beijing Intermediate People's Court for activities that "seriously damaged the public order," the report said. The intermediate court also sentenced nine others to death for an armed attack on a public case (as received), "hooligan activities," armed robbery and murder, the report said. (Text) (Hong Kong AFP in English 0924 GMT 30 Nov 94)

Three Murderers Executed in Guangzhou

Guangzhou Intermediate Court today sentenced Li Lun, Luo Weixiong, and Ge Weiming to death and sent them for immediate execution. On 30 August 1992, Li Lun killed two young women in Xining, Guangxi. Later that year, he killed three other persons on a train and robbed them of their belongings. On 17 October 1992, he killed another person in Xinhua township, Guangdong. In November 1992, Li Lun conspired with others to commit robbery and killed a man in Xinhua township, robbing him of 1,500 yuan. Luo Weixiong and Ge Weiming were also convicted of murder. (Summary) (Hong Kong TA KUNG PAO in Chinese 17 Nov 94 p 4)

Sichuan Sentences Drug Traffickers to Death

On 21 October, Fuling Prefecture Intermediate Court sentenced several drug traffickers. Chen Xingming, Huang Zhimo, and He Yinghong were sentenced to death and Huang Zhongming to life imprisonment after being convicted of heroin trafficking. On 22 October 1993, Chen bought 650 g of heroin from a drug dealer in Guiyang City. On 28 November 1993, Chen gave 300 grams of heroin to Huang so he could bring it to Fuling. However, they were caught by public security. (Summary) (Chengdu SICHUAN RIBAO in Chinese 10 Nov 94 p 3)

Shenzhen Campaigns Against Forgeries, Counterfeit Goods

Since 10 October, Shenzhen has been carrying out another campaign against counterfeit goods in line with the national campaign. Various government departments have formed 10 joint inspection teams, and they have visited 746 shops in shopping malls, penalized 304 shops for selling counterfeit goods, and seized 24,750 items. The inspection teams find it very difficult to trace the sources of these goods because the shops are always approached by "unknown" salesmen and the goods are made by "unknown" workers. Shenzhen's Technology Supervision Department has adopted measures to punish dealers in counterfeit goods. Shops which frequently sell counterfeit goods will have a warning sign "counterfeit goods dealer" affixed to their signboards. (Summary) (Hong Kong TA KUNG PAO in Chinese 20 Nov 94 p 2)

Three Criminals Executed in Qinghai

On 11 November, public security, judicial, and procuratorial organs of Qinghai's Guoluo prefecture called a

public rally where three criminals were sentenced to death. They were then taken away to be executed. Sang Dan and San Bao were herdsmen from Maqin county. On 20 January, they killed a shop assistant at a shop in Dangxiang township with an axe and then looted the shop. Yang Dan, unemployed, killed a man at a restaurant in Dawu with a knife on 20 December 1993. (Summary) (Xining QINGHAI RIBAO in Chinese 20 Nov 94 p 2)

Shenzhen Police Seize Guns, Ammunition

On 1 November, Shenzhen's Longgang police received information that someone in Chengping village was peddling guns and ammunition and that Chen Cheng, a worker at a handbag factory in the township, was involved in the case. Police searched an apartment in Longgang's Shangxu village and then arrested Chen Cheng, Chen Jingfu, and Chen Jing and seized 17 small-caliber guns, 1,400 rounds of ammunition, three cans of tear gas, four daggers, and forged documents. They also searched the engineering shop at the handbag factory and found 30 more small-caliber guns. (Summary) (Guangzhou NANFANG RIBAO in Chinese 26 Nov 94 p 2)

Customs Halt Exports Violating Intellectual Property Rights

Customs have seized goods for export in breach of trademark law in a Shandong port, the first of its kind in the province. Two containers of goods suspected of infringement of the intellectual property rights committed by an Anhui import and export company were seized. Customs in Kowloon have also seized goods violating intellectual property rights, including CD's, and rejected exports of medicine because the owner could not produce evidence of his right to use the relevant trademark. (Summary) (Beijing ZHONGGUO XINWEN SHE in English 1104 GMT 10 Nov 94—hk1011113694)

Arms Traffickers Killed Along SRV Border 14 Nov

On 14 November, armed police guarding the border in Guangxi's Ningming County wiped out a group of arms traffickers—two men and one woman—after they had entered Chinese territory from the other side of the border. The police seized four military pistols after receiving information earlier that day about a gang of smugglers who planned to bring firearms into the county. After trying to carry out a sale with a policeman posing as a buyer, one of the criminals recognized another policeman and tried to fire. However, the police fired before the criminals, killing them all. (Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 1230 GMT 21 Nov 94—hk2211042494)

Xiamen Police Seize 3.5 Kg of Heroin

Xiamen police seized 3.5 kg of heroin and arrested two drug dealers on 24 November after a four-day operation.

The two criminals, both of whom are from Fujian, have engaged in drug-trafficking for a long time. The drugs had been purchased in Yunnan for sale in Xiamen. (Summary) (Beijing ZHONGGUO XINWEN SHE in English 0907 GMT 28 Nov 94—hk2811143194)

Meeting Discusses Work of Studying CPC's History

OW3011130394 Beijing XINHUA Domestic Service in Chinese 0845 GMT 24 Nov 94

[By RENMIN RIBAO reporter Xu Rujun (1776 1172 0193) and XINHUA reporter Liu Siyang (0491 1835 2799)]

[FBIS Translated Text] Beijing, 24 Nov (XINHUA)—The four-day national meeting of the directors of party history research offices ended in Beijing today. Meeting participants stressed the need to concentrate energy on stepping up and doing a good job in research, compilation, and collection of materials for the study of party history in the socialist period, so as to serve the cause of reform, opening up, and socialist modernization construction.

During the meeting, Hu Sheng, deputy head of the central leading group for party history and director of the central party history research center, spoke on issues ranging from the division of periods of party history in the socialist period, the historical status of the Third Plenary Session of the 11th CPC Central Committee, the purpose and significance of studying party history since the founding of the People's Republic, the study of the issues related to party history prior to the founding of the People's Republic, to the spreading of party history.

Hu Sheng pointed out that the historical significance of the Third Plenary Session of the 11th CPC Central Committee held in December 1978 could be compared to the Zunyi Conference in the Democratic Revolution Period which laid a foundation for the victory of the 1949 revolution. Starting from the Third Plenary Session of the 11th CPC Central Committee, our party started to comprehensively and seriously corrected the "left" tendency mistakes committed in the "Great Cultural Revolution" and those committed prior to that, which was a great turning point of far reaching significance in the history of our party's socialist period. He said the Third Plenary Session of the 11th CPC Central Committee should be seen as a mark to divide the socialist period into two big periods: one before the Third Plenary Session and another after it.

Hu Sheng noted that the party was faced with the major problem of how to advance the cause of the socialist construction following the end of the "Cultural Revolution." The "two whatevers" was rejected at the Third Plenary Session of the 11th CPC Central Committee, thus putting to a end of a situation where our party was making a halting advance in the wilderness and virtually preventing the tendency of a return to a period before the

"Cultural Revolution." If that tendency had been left to develop, the "Cultural Revolution" would not have ended in the true sense, thus inviting extremely dangerous consequences for the party and the state. The Third Plenary Session of the 11th CPC Central Committee helped open a new path that is suited to China's reality—the path of building socialism with Chinese characteristics—an unprecedented event in the international communist movement and in the history of scientific socialism.

Hu Sheng said the purpose of studying party history in the socialist period, both before and after the Third Plenary Session of the 11th CPC Central Committee, is to prove the correctness of the theory and line of building socialism with Chinese characteristics as a whole as well as to prove the long-term and arduous nature of building socialism under the conditions in China. Failure to recognize the above will lead to a loss of faith.

The meeting participants summed up and exchanged experiences in party history work since the 14th CPC National Congress and studied both the major current and future tasks for departments involved in the study of party history. Proposals were raised during the meeting to further deepen and expand the study of party history with an emphasis in the socialist period, to deepen the study of the historical experience in party building, party building under the conditions of our party being a ruling party in particular, to conscientiously do a better job of spreading and teaching party history and contemporary history, and to enhance the building up of the ranks of those who work at party history research departments and individuals who are involved in party history research.

The meeting of the fourth board of directors of the Society of Research on History of CPC, which opened on same day as the national conference of the directors of party history research offices, ended on 23 November following the election of new leading members of the board of directors. Hu Sheng was re-elected chairman. Gong Yuzhi and Li Chuanhua were elected executive vice chairmen.

Religious Bureau Holds Forum on Patriotic Education

OW0112123094 Beijing XINHUA Domestic Service in Chinese 0820 GMT 25 Nov 94

[By RENMIN RIBAO reporter Dong Hongjun (5516 1347 0689) and XINHUA reporter Jia Fenyong (6328 1164 0516)]

[FBIS Translated Text] Beijing, 25 Nov (XINHUA)—Today, the State Council's Bureau of Religious Affairs [SCBRA] held a forum in Beijing for the religion circles to study and implement the "Program for Conducting Education on Patriotism [PCEP]." Personalities of religion circles present at the meeting spoke freely of their understanding from studying the "PCEP." They said

they wanted to treat conducting patriotic education as an important task of all religious groups and carry out the task in a thoroughgoing way.

Personalities present at the meeting unanimously believed there is a glorious tradition of patriotism among religious circles in China. In the early period of the PRC shortly after its founding, the religious circles raised high the banner of patriotism and enabled various religions in China to become religious undertakings independently run by the masses of religious believers through patriotic movements against imperialism and through democratic reform of the religious system. All religious groups made their due contributions to maintaining the unification of the motherland as well as unity among various nationalities and participated in socialist construction over the years. Under the current situation, China's religious circles must further carry forward and enhance the tradition of patriotism, endeavor to discover effective substance and methods for patriotic education, promote patriotic education to a new level, and make new contributions to building socialism with Chinese characteristics.

Zhao Puchu and Ding Guangxun, vice chairmen of the National Committee of the Chinese People's Political Consultative Conference; SCBRA Director Zhang Shengzuo; and others attended the forum and spoke. Among those who also participated in the forum were over 70 Beijing-based persons in charge of various national religious groups and various religious groups in Beijing Municipality. Attendees listened to the SCBRA's "Opinion on Conscientiously Implementing the 'PCEP.'"

CYL Issues Decision on Improving League Building

OW0112123194 Beijing XINHUA Domestic Service in Chinese 1008 GMT 25 Nov 94

[FBIS Translated Text] Beijing, 25 Nov (XINHUA)—The Third Plenary Session of the 13th Central Committee of the Communist Youth League of China [CYL] ended today. The meeting adopted the "CYL Central Committee's Decision on Some Issues Concerning the Building of the League." The "Decision" puts forward the guiding ideology and working principles for strengthening league building under the new situation.

The guiding ideology is: The league must be guided by the theory of building socialism with Chinese characteristics and the party's basic line; regard the construction of grass-roots units as a key point of league work; study new situation and tackle new problems with the spirit of reform and from the viewpoint of development; pay special attention to the establishment of a youth service system and to the consolidation, adjustment, and development of grass-roots organizations; set up a new link that helps establish extensive ties among youths, and work hard to build the CYL into an organization that is ideologically, politically, and structurally strong and into

an attractive and cohesive mass organization for advanced youths who are armed with the theory of building socialism with Chinese characteristics, stand on the forefront of the times together with the party, serve economic and social development, and help youths grow healthily, make contributions, and establish careers. The working principles are: Guiding league building with the theory of building socialism with Chinese characteristics; strengthening league building while serving the party; strengthening league building by combining it with party building; upholding and perfecting democratic centralism; closely combining league building with activities launched by the CYL; regarding serving youths as the focal and breakthrough point for league building; focusing on grass-roots units while strengthening league building; and studying and promoting league building with the spirit of reform and from the viewpoint of development.

The "Decision" urges league organs to center around youths' basic needs such as growing healthily in reform, opening up, and modernization, make contributions, and establish careers; to concern themselves with youths' special demands, to combine education and contributions; to combine serving youths with serving economic and social development and with strengthening the CYL's grass-roots units, and to launch various practical and effective service activities. League organs must set service tasks, launch service activities, develop concrete methods, and establish support forces for their work. They must make concerted efforts and unceasingly explore new ways to gradually establish a youth service system that is aimed at accomplishing the common goal, based on basic interests, supported by league structure, and embodied in various service projects and fields.

The "Decision" stresses: We must consolidate, adjust, and develop the grass-roots units of the CYL and expand the CYL's work scale. We must focus our attention to many inactive grass-roots league units in rural areas, especially to those that are loose and paralyzed. We must form a leading group that is able to help youth shake off poverty, become prosperous, and improve living standards. Electing a good league branch secretary is particularly important. We must select a practical project that, as a tangible goal of league work, will serve local economic development and help youths become prosperous. We must lead a team consisting of league members who will serve as role models and set up an effective system that will ensure the development of league work and regular activities of league organizations. We must focus on village and town enterprises while setting up league units in new economic organizations. We must set up league units in some qualified village and town enterprises in line with the league's constitution. We must promptly set up league organs in foreign-funded enterprises. We must actively accelerate the establishment of league organs in private enterprises and in markets and

associations that have more young individual entrepreneurs. We should shift our attention from the management of floating league members to that of non-native league members.

The "Decision" sets demands for building a mighty contingent of league members, doing a better job in "promoting excellent league members," and improving the overall quality of league cadres.

Report on Leaders' Activities 25 Nov-1 Dec

OW0212105294

[FBIS Editorial Report] PRC media monitored by Okinawa Bureau from 25 November to 2 December carried the following reports on PRC central leadership activities. The source is noted in parentheses after each report.

Zhang Wannian Inscribes For Xinjiang Air Force Anniversary—On 12 November, Air Force organs in Xinjiang held a meeting to mark the 30th anniversary of the formation of Xinjiang Air Force units. General Zhang Wannian, Central Military Commission member and General Staff chief, wrote the following congratulatory inscription: "Safeguarding the frontier for three decades and scoring achievements in the Gobi Desert." (Urumqi XINJIANG RIBAO in Chinese 14 Nov 94)

Jiang Zemin, Li Peng, Others Inscribe For Ningbo's Opening Up Anniversary—On 18 November, a meeting was held in Ningbo to celebrate the 10th anniversary of Ningbo's opening up and the establishment of the development zone and the Beilun District. General Secretary Jiang Zemin, Premier Li Peng, and Vice President Rong Yiren respectively wrote inscriptions for this occasion. Jiang Zemin's inscription reads: "Deepening reform, opening up wider to the outside world, and establishing a modern international port city." Li Peng's inscription reads: "Taking advantage of the fine port to open up wider to the outside world." Rong Yiren's inscription reads: "Earnestly establish the Ningbo Development Zone, the bonded area, and the Daxie Island and struggle for the establishment of a modern international port city." Party and state leaders, including Qin Jiwei, Wang Guangying, Wu Xueqian, Chi Haotian, and Yan Jici also wrote inscriptions. Li Zemin, provincial party committee secretary, Governor Wan Xueyuan, and others attended the meeting. (Hangzhou ZHEJIANG RIBAO in Chinese 19 Nov 94)

Li Peng Inscribes For Revolutionary Writer's Exhibition—On 25 November, to mark the 70th anniversary of revolutionary writer Yang Hansheng's engagement in revolutionary activities, an exhibition on the writer's deeds and works opened in Shanghai. Premier Li Peng wrote inscriptions for the exhibition. (Shanghai People's Radio Network in Mandarin 2300 GMT 25 Nov 94)

Peng Peiyun Sends Speech to Employment for Disabled Forum—On 28 November, China's Labor Ministry, the

Chinese Federation for the Disabled, and Japan's Association for Promoting Employment for the Handicapped, jointly held a Sino-Japanese symposium on employment for the disabled. Peng Peiyun, state councillor and Coordination Working Committee for the Handicapped chairman, sent a written speech to the meeting. (Beijing XINHUA Domestic Service in Chinese 0732 GMT 28 Nov 94)

Li Tieying Meets Renowned PRC Artist—On 28 November, the Hong Kong Auctioneers Company announced in Beijing that a painting by Chinese artist Wang Linxu was auctioned for 15 million Hong Kong dollars. State Councillor Li Tieying met with the artist, the buyer, and the auctioneer before the announcement. (Beijing XINHUA Domestic Service in Chinese 1116 GMT 28 Nov 94)

Yu Yongbo Attends Song and Dance Performance—On 29 November, Yu Yongbo, Central Military Commission member and General Political Department director, attended a large-scale poetic song and dance performance entitled "In the Remote Place—Wang Luobin [famed composer] and Folk Songs of China's West," presented by the Xinjiang Military Area Command Art Troupe in Beijing. (Beijing XINHUA Domestic Service in Chinese 1414 GMT 29 Nov 94)

Song Renqiong, Peng Chong, Others Inscribe For Tang Dynasty Seminar—On 22 November, the China Society for Tang Dynasty Literature held its seventh annual meeting and an international academic seminar in Xinjiang. Song Renqiong, Yan Jici, Peng Chong, and others wrote inscriptions for the seminar. (Hangzhou Zhejiang Provincial People's Network in Mandarin 1000 GMT 30 Nov 94)

Science & Technology

Scientists To Review Russian-Funded Nuclear Project

HK0212065094 Hong Kong EASTERN EXPRESS in English 2 Dec 94 p 9

[By Bruce Gilley]

[FBIS Transcribed Text] China's top nuclear scientist will arrive in Shenzhen today to inspect plans for a Russian-funded joint nuclear project. Sun Zuxun, the president of the central government's Research Institute of Atomic Energy, has been sent by Beijing to monitor the secretive China-Russia Nuclear Company.

A factory site for the company is already under construction in the Overseas Chinese Village, a centre of tourism and high-tech companies to the west of the city centre. The dispatching of Sun only days after Russia's vice-minister of nuclear power engineering visited the city to clinch the deal reflected the importance the central government attached to the project, a company official said yesterday. "This is not a small-scale undertaking."

Li Changchun, a company spokesman, said. "Dr Sun will act as an adviser to the company during the construction and planning period."

Sun has served as head of the institute since 1986, when it was hived off from the former Ministry of Nuclear Industry, now the China National Nuclear Corporation (CNNC). He is also the head of the country's Nuclear Data Centre, which collates research findings on both the civilian and military applications of nuclear technology. The US\$10m (HK\$78m) China-Russia Nuclear Company only came to light after the Russian Minister of Nuclear Power Engineering, Viktor Mikhailov, and his first deputy, Vitaly Kononov, made a "private visit" to China last week.

While details remain sketchy, company officials say "all areas of civilian nuclear technology" would be considered. One area already agreed upon was the importation of "super clean" isotopes from nuclear reactors in Russia for industrial applications. Another nuclear co-operation project between the two sides is planned in Haikou capital of Hainan province.

CNNC officials yesterday again refused to discuss the projects, maintaining that they were an "internal company affair". A factory site is expected to be completed by the end of next year, with commercial operations beginning in early 1996. Li said the import and installation of electrical processing equipment for the venture was being undertaken.

Shenzhen's three biggest amusement parks are situated in the same area, along with its convention centre. Li said Shenzhen authorities had approved the land usage despite the dangers of the radioactive materials, because of a desire to shift the local economy away from labour-intensive processing industries. The mayor of Shenzhen, Li Yowwei, was quoted as promising "encouragement and privileged policies" for the new company.

Two New Nonyl Phenol Installations Built in Jiangsu

OW0212095094 Beijing XINHUA in English 0923 GMT 2 Dec 94

[FBIS Transcribed Text] Nanjing, December 2 (XINHUA)—China has built its largest nonyl phenol installation at the Changzhou No. Two chemical plant, in Jiangsu Province.

The facility, using technology imported from Polarid, is able to turn out 5,000 tons of nonyl phenol annually.

Nonyl phenol is a key raw material used for producing nonionic surface active agents, plasticizers, antioxidants, petroleum additive and farm-use emulsifiers.

At present, the country has to import most of the nonyl phenol in demand on the domestic market.

The installation will also help the country to build a production base for surface active agents, mainly of nonyl phenol and polyoxyethylene ether.

Military**Yu Yongbo Urges More Efforts in Army Youth Work***OW0112131494 Beijing XINHUA Domestic Service in Chinese 1223 GMT 26 Nov 94*

[By reporter Luo Yuwen (5012 3768 2429)]

[FBIS Translated Text] Beijing, 26 Nov (XINHUA)—While holding a discussion meeting with cadres working with the Army's youths, Yu Yongbo, member of the Central Military Commission [CMC] and director of the General Political Department, stressed: An important task of the Army's youth workers and the Communist Youth League of China [CYL] grass-roots organizations is to educate and guide young people to earnestly implement CMC Chairman Jiang Zemin's overall demands on army building and the "Outline on Grass-roots Army Building," so as to bring into play their supportive role in army building at grass-roots level.

Yu Yongbo said: Youth work is an important part of our Army's political task with a glorious history and fine tradition. As our country and Army are currently situated in an important historical period, we carry heavier responsibilities in our work for the Army's youths. Comrade Jiang Zemin pointed out: "We shoulder heavy responsibilities in our tasks, and our hope lies in the young people. We can only win the future when we win over the young. The CYL is the party's helper and reserve force, and should bring into full play its role in uniting and educating the young." We must, in accordance with the demands of the party Central Committee and the CMC leaders, implement the guidelines of the Third Plenary Session of the 13th CYL Central Committee and effectively further our work among the Army's youth.

Yu Yongbo pointed out: The CYL organizations must competently implement the task of grass-roots army building in the following areas: First, they should strive to ensure implementation of directives at grass-roots level, particularly in implementing CMC Chairman Jiang Zemin's overall demands on army building and the "Outline on Grass-roots Army Building." Second, the organizations must conduct education in our Army's aim for youths and guide them in establishing the correct outlook on life and on values. Further, they must train more revolutionary soldiers who are well-educated and self-disciplined with lofty ideals and moral integrity. Third, it is necessary to bring into play the youths' assault role to accomplish various tasks in accordance with the CYL's characteristics. Fourth, CYL cadres must strengthen their self-construction, upgrade their quality, and carry out their duties efficiently. Party committees and political organs at all levels must strengthen their guidance on youth work and assist the CYL in solving its difficulties as much as possible.

Army Paper on Viability of Strategic Missile Troops*HK0212104494 Beijing JIEFANGJUN BAO in Chinese 13 Nov 94 p 1*

[by special correspondent Zhang Yajun (1728 1367 6511) and reporter Zhang Zongyin (1728 1350 6892): "Viability of Strategic Guided Missile Troops in Field Operations Is Greatly Improved"]

[FBIS Translated Text] One day in late autumn, on a precipitous mountain path, dozens of military vehicles carrying the 2d Artillery Corps' new scientific and technological equipment for logistics service and protection rushed into the "zone under nuclear attack." These reporters could only see that each and every new installation quickly started operating: A "nuclear contamination monitor vehicle," in timely and prompt fashion, detected and forecast the extent of radioactive contamination at the position according to 16 indexes; a "radioactive sanitary protection monitor vehicle" promptly gave special protection and treatment to noneffectives; and a "special maintenance and engineering vehicle" promptly repaired damaged equipment.... This was the first drill conducted by the logistics department of strategic missile troops which was aimed at assessing the viability of positional personnel in field operations.

It is operational positions on which the 2d Artillery Corps relies in action and which have a bearing on its existence. In recent years, with the General Department's concern and support, the 2d Artillery Corps Logistics Department, while sounding the slogan of "developing our viability and combat effectiveness using science," has been working closely with scientific research units and troops to tackle key scientific research problems and has achieved a number of high-technological results which are outstanding at home and abroad. In particular, close attention has been paid to difficult problems arisen under the wartime situation of a perfectly closed position, such as replenishment and regeneration of oxygen, elimination of toxic gases and germs, first-aid treatment of the wounded, purification of potable water, and disposal of excrement. This drill, which involved nine types of nearly 500 devices, was a comprehensive examination, under actual combat conditions, of the high-technological achievements of the 2d Artillery Corps Logistics Department.

According to the actual combat requirements, officers and men must hide in a perfectly closed "bunker" for at least one week or so. As observed by these reporters on the spot, troops taking part in the drill were carrying out various training activities in an intense but orderly manner before the nuclear counterattack and, judging by their energetic sentiments and high morale, we could hardly believe that they had lived in the "bunker" for almost seven days and nights. To our very great surprise, extremely fresh air could be breathed inside the perfectly closed "bunker" without any bad smell or taste. Guo Bin, commander of a brigade taking part in the drill, told

these reporters: "All these should be attributed to the 'tunnel air regeneration device' and the 'tunnel toxic gas purification device.'" These two devices can keep greens fresh for as many as 15 days, whereas the "tunnel potable water sterilization and purification device" can clear putrid water and make it suitable for drinking.

As soon as the period of living in the closed position was over, these reporters could only see that the officers and men promptly occupied a launching position and mounted, in accordance with the higher authorities' instructions, a "nuclear counterattack" against the "enemy." The successful drill marks a new stage of improvement in our strategic missile troops' wartime viability and combat effectiveness.

Army Paper Views Air Force Modernization

HK0212105094 Beijing JIEFANGJUN BAO in Chinese
11 Nov 94 p 1

[By Xu Sheng (1776 3932), Rong Qingxiang (2837 1987 4382), Zhang Dongfeng (1728 2639 2455), and staff reporter Hong Heping (3163 0735 1627): "Flying Toward A New Century—Summary of Air Force Modernization"]

[FBIS Translated Text] I.

The deep blue sky is clear as water. One by one, war eagles are dashing across the sky. Nimble fighters are patrolling the sky at an altitude of 10,000 m. Robust bombers and ground attack planes are firing fiercely at "enemy" tanks. Mine-laying planes are laying a dense belt of anti-tank mines. This picture of a large-scale air exercise demonstrates the prowess of the People's Air Force [PAF].

At the ceremony celebrating the founding of New China 45 years ago, the PAF participated in the military parade with only 17 propeller-driven planes captured from the enemy. Today, after 45 years, the PAF has developed into a combined service which has air units as its mainstay and which includes antiaircraft units, surface-to-air missile units, airborne units, and other combat units as well as radar, communications, and other backup facilities.

The growth of the PAF reflects the efforts of three generations of collective leadership by the party Central Committee with Mao Zedong, Deng Xiaoping, and Jiang Zemin at the core. They showed great concern for and pinned great hopes on the building and development of the PAF, giving many important instructions in this regard. Party committees at all levels of the Air Force persisted in taking their teachings as important components of the education on "loving the motherland, the blue sky, and one's profession" and implemented these teachings throughout the course of the modernization of the troops. On occasions such as the PAF founding day, the commencement of training for new pilots, the allocation of cadets upon graduation, the enrollment of new

cadets, and the assignment of urgent, difficult, dangerous, and arduous tasks, diverse forms of education on "three loves" are conducted to encourage the vast numbers of officers and men to master their skills, repay the country with their military strength, and devote themselves to the great cause of the modernization of the PAF.

In recent years, units of the PAF have been resolutely marching toward the objective of "gearing to the needs of the world, the future, and modernization," with emphasis on increasing their ability to fight under hi-tech conditions.

The air units have reached a fairly high level in their long-range combat, rapid mobility, assault, and air defense capabilities. In A-grade air units, which represent the major fighting force of the PAF, combat effectiveness has reached 78.6 percent. The overall combat effectiveness of the PAF has also reached a new level.

The quality of the various types of personnel has also improved. The number of all-weather pilots has increased by 20.5 percentage points compared with a decade ago. All air unit divisional and regimental commanders can fly highly-difficult missions and teach.

The various arms of the ground services have become increasingly modernized. The airborne units have acquired omni-bearing combat capability and can take off at any time, parachute anywhere, and fight wherever they land. There is now a radar information network which basically covers the whole country. Communications and meteorological support has become more modernized and effective each year. The ground air defense units have achieved command automation in their missile battalions and antiaircraft gun companies.

The standard of flight safety per 10,000 hours has been among the world's best for 14 years running.

II.

Science and technology are combat forces and relying on scientific and technological advances to promote the modernization of the PAF is the basic line of thought of the PAF CPC Committee. In the light of the actual conditions in the PAF, they have vigorously launched hi-tech research activities on aviation, missiles, radar, meteorology, communications and navigation, command automation, remote sensing and remote control, and other technical projects which embody the characteristics of the various arms of the PAF, achieving fruitful results. A total of 9,400 scientific research achievements have been made since 1978. These include 38 state invention awards, 73 state scientific and technological progress awards, 5,516 army scientific and technological progress awards, and 105 state patents.

Thanks to the development and application of high and new technologies, the PAF has made major breakthroughs in its development of new weapons and equipment. Units are now armed with new weapons and

equipment, including aircraft, surface-to-air missiles, ground radar, and automatic command systems. China has attracted the attention of world aviation circles by building different models of unmanned target drones with great mobility for low-, medium-, high- and ultra-low altitude flying and nuclear sample-taking and other purposes using decommissioned aircraft of the PAF. Thanks to the newly developed laser, electronic, and infrared simulators and "three-dimensional flight simulators," it has been possible to move from electromechanical simulation to laser and electronic computer simulation and from technical simulation to tactical and campaign simulation, thereby greatly reducing training expenses and raising the quality of training. The scientific detection and testing standards of aviation maintenance have also approached world levels.

III.

Reform is the way to military strengthening. The PAF CPC Committee resolutely implements the series of important policy decisions by the CPC Central Committee and Central Military Commission, clearly sets the objectives and principles for the modernization of the PAF, and leads units in carrying out major reforms in the fields of education and training, pilot development, logistics support, and aviation engineering.

On the question of structural reform, a new pilot training system which encompasses flying schools, training bases, and combat units has been established. Thanks to this new system, the time needed for pilots to complete training under four different kinds of meteorological conditions has been shortened by more than a year. The enrollment of pilots has been incorporated into the higher education system of the state. Since 1990, flying schools have been training pilots as a regular college course. A new generation of undergraduates have become the mainstay of PAF pilots.

On the question of training, the "three changes" have been taken as the main task. These "three changes" involve changing from technical training to tactical training, from training on a single type of plane to training on different types of planes, and from operation by a single arm of the service to operation by combined arms of the service. In the course of reform, efforts have also been made to upgrade various arms of the service, various aircraft types, and specialized training programs in addition to formulating a new set of rules and regulations for training. In training, special importance is attached to real combat needs, countermeasures, and combined training. Training in large-scale rapid continuous sorties; taking off and landing under complicated conditions; long-range mobile operations; low-altitude, zero-altitude, or night attacks; and so on, have also been stepped up to enhance the rapid mobility and quick-decision capability of units.

In order to effect the change from being able to support fighting under general conditions to being able to support fighting under hi-tech conditions, the PAF logistic

systems have organized more than 30 training courses on hi-tech know-how, modern warfare, and combat theories for cadres of logistic organs at and above the army level. All air unit stations are now equipped with multifunction command and support systems which combine computers, electronic displays, and communications equipment, an indication that the PAF has reached a new level in the command support of its airfield equipment.

Major reforms have also been carried out on the means and methods of training.

Aspiring to catch the moon in the seventh sky, and in accordance with the general requirement of "being politically up to the mark, having mastery of military skills, having a fine work style, being strict in discipline, and being able to provide effective support" put forward by Jiang Zemin, the PAF is flying toward the objective of more nimble command, finer equipment, better training, more rapid response, and better efficiency.

Economic & Agricultural

Zhu Rongji Criticizes 'Textbook' Economists

HK0212074394 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1104 GMT 1 Dec 94

[FBIS Translated Text] Beijing, 1 Dec (ZHONGGUO TONGXUN SHE)—State Council Vice Premier Zhu Rongji recently pointed out that prices in the domestic market were increasing excessively and attributed the problem to the "thorough opening" of markets and a laissez-faire approach to the market.

At a recent meeting, Zhu Rongji said this when criticizing the phenomenon of some domestic economics textbooks which blindly worship Western economic theories. He said: In the past year or so, some people in economists' circles have advocated the role of the invisible hand in guiding the economy, blindly worshipped spontaneous forces, and say that prices should be completely formed by the market.

Zhu Rongji said: In the past year, prices have increased at a very high rate. Was this inevitable? Was this caused by the contradiction between supply and demand? I do not think that this was the case in many fields. Is the market really short of any commodities? No, no commodity was really in short supply to such a serious degree. Moreover, we have sufficient foreign exchange reserves to import goods which are in short supply. Therefore, the problem is not caused by the supply and demand situation. Neither was the high rate of price increases caused by the adjustment of the price structure, which was not reasonable in the past. Although crude oil and farm product prices were raised, the rate of increase was moderate, but commodity prices in the market just doubled and redoubled. Therefore, the problem must be attributed to erroneous theories which have blindly echoed those in the West and advocate the thorough

opening of the market, a laissez-faire approach to the market, and the disorderly state of commodity circulation.

Zhu Rongji pointed out: If a laissez-faire approach is adopted toward the market and prices, then polarization between rich and poor and social injustice will become absolutely unavoidable. In such circumstances, resources will never be reasonably distributed and used and the consequences would be very serious.

Hu Jintao Discusses Development of Zhuhai

HK0212104094 Hong Kong WEN WEI PO in Chinese
18 Nov 94 p B6

["Special article" by Fang Chi (2075 4359) and Chang Song (1728 2646): "Hu Jintao on Zhuhai's Development"]

[FBIS Translated Text] Hu Jintao, member of the Standing Committee of the CPC Central Political Bureau and concurrently secretary of the Secretariat, inspected Zhuhai not long ago. He said happily: Zhuhai's development is pleasing, its changes are amazing, and its prospects are alluring. He encouraged Zhuhai's party and government leading bodies and its party-member cadres to fully see the important place and role of the special economic zone [SEZ]; augment the sense of honor, responsibility and pressure in SEZ building; work hard to link the party's line, principle, and policies with Zhuhai's actual conditions; and promote Zhuhai's better and more rapid development.

Holding Discussion With Zhuhai Officials

Hu Jintao inspected Zhuhai 13-15 November. Accompanied by Governor Zhu Senlin, deputy secretary of the Guangdong Provincial CPC Committee deputy secretary; Zhang Guoying, deputy secretary of the provincial party committee; Fu Rui, member of the provincial party committee's standing committee and director of its organization department; Zhuhai Mayor Liang Guangda, member of the provincial party committee's standing committee and concurrently secretary of the city party committee; and city party committee deputy secretaries Zhang Yaozong and Lei Yulan, Hu Jintao inspected the Asia Simulating Control System Company, Ltd., the Giant Hi-Tech Group Company, the Zhuhai airport and port, the Beiling Village Peasants' Cultural Center, the Gongbei fair market, the Gongbei port, the Wanzi Hongjing Garden, and the Geli Group Electric Appliances Company, Ltd. On the evening of 14 November, Hu Jintao heard a report by Comrade Liang Guangda, and conducted cordial discussions with the leading members of five city organs (the city party committee, government, people's congress, Chinese People's Political Consultative Conference committee, and commission for discipline inspection), and delivered an important speech on how to create new advantages and augment party building in SEZs.

In the wake of hearing Liang Guangda's report on the evening of 14 November, Hu Jintao delivered an important speech, in which he said: Zhuhai is one of the earliest SEZs founded in China under Comrade Xiaoping's personal initiative and concern, and it has extensive effects in China and overseas. Between my last trip to Zhuhai and the present one is a span of precisely 10 years. In the past two days, I have visited some enterprises and infrastructure building, and have felt keenly that Zhuhai has undergone earth-shaking changes under the guidance of both Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line. To generalize, I would like to say that Zhuhai's development is pleasing, its changes are amazing, and its prospects are alluring. By its development being pleasing I mean that over the past dozen years or so, Zhuhai's economy has developed rapidly, and its economic strength has augmented greatly; with economic growth, continuous accomplishments are scored in educational, cultural, and public health undertakings, as well as party building and spiritual civilization. By amazing changes, I mean that its infrastructure and installations have changed greatly and that the city's features have taken a new turn—with a great improvement in its investment climate—and a modern harbor city has taken initial shape. By its prospects being alluring I mean that a broad prospect is revealed before Zhuhai. With the continuous improvement in its infrastructure, especially its external transportation conditions, and with a large number of big projects under construction, Zhuhai's future will be more beautiful and very hopeful.

Making Contributions to the Return of Hong Kong and Macao

Hu Jintao expressed his three-point hopes for Zhuhai's work.

First, it is imperative to have a full understanding of SEZs' place and role, and to augment the sense of honor, responsibility and pressure for building the SEZ. Under the new situation of accelerating reform, opening up, and building the socialist market economy structure, the place and role of SEZs have not changed, but will make themselves further felt in practice. We may see this point from three different angles. First, it is for the sake of realizing the "three-step" goal set out by Comrade Xiaoping in economic development. China must maintain an appropriate, faster economic growth rate; such being the case, the SEZ must realize sustained, healthy, and rapid development, while at the same time, giving play to its role in affecting and bringing along the hinterland, thus shouldering a two-fold task. Second, from the angle of building the socialist market economy, this is a long-range, initial, and brand-new undertaking, and it calls for our continuous exploration in practice. Such being the case, the SEZ must take the lead and play a pacesetter role. Third, from the angle of realizing "one country, two systems" and the return of Hong Kong and Macao, the role of Shenzhen and Zhuhai is all the more

conspicuous. It is necessary for us to see that the return of Hong Kong and Macao to the motherland will create more favorable conditions for Zhuhai's development. At the same time, we must have a sense of responsibility and mission to realize the stable transition of Hong Kong and Macao through our own development, and must make due contributions to maintaining the prosperity and stability of Hong Kong and Macao. When Comrade Jiang Zemin came to Zhuhai last June, he explicitly set out "three no-changes" regarding SEZs. Therefore, comrades in Zhuhai should have a clear picture of the important place in which they stand, further augment their sense of honor, and work hard to build Zhuhai better and more rapidly, so as to make still greater new contributions to China's reform, opening up, and modernization.

Boldly Explore and Experiment

Second, it is imperative to work hard to link the party's line, principle, and policies with Zhuhai's actual conditions so as to promote Zhuhai's better and more rapid economic development. An important experience of Zhuhai's rapid development is precisely the adherence to emancipating the mind and seeking truth from facts, while firmly implementing the party's basic line, principle, and policy of reform and opening up, and working hard to do a good job of linking them with Zhuhai's actual conditions. When Comrade Jiang Zemin came to Zhuhai the last time, he explicitly set out the requirement on the SEZ to create new advantages. On the issue of how we should create new advantages, to my mind, it is precisely to adhere to emancipating the mind, seeking truth from facts, doing a good job of linking the central spirit with Zhuhai's actual conditions, exploring boldly, and practicing in the spirit of "daring to blaze new trails" and "daring to experiment."

Third, the key to building Zhuhai faster and better lies in doing a good job in building party organizations in the SEZ. In view of the important place of the SEZ, party organizations in the SEZ should be stauncher, with still greater combat effectiveness. Party members of the SEZ should possess peculiar quality and character, and its rank-and-file cadres must be especially capable of combating. It is imperative to elevate the quality of leading cadres in a comprehensive way, and it is especially necessary to select, promote, and bring up young cadres in a big way, and to promptly substantiate leading bodies at various levels with them. We hope that Zhuhai will yield the fruit of spiritual civilization as well as of material civilization, and will yield talented people as well as experiences.

In conclusion, Hu Jintao said that the central authorities have high hopes of Zhuhai, and that the whole party and people throughout the country also have shown great concern about Zhuhai's reform and development. He hoped that under the leadership of the Central Committee and of the Guangdong provincial party committee, the party organizations in Zhuhai would unite

and rally the broad cadres and masses to work in concert efforts, and would strive together to make still greater, new contributions to the great cause of building socialism with Chinese characteristics.

CPC, State Council Hold Economic Meeting

OW0212022494 Beijing XINHUA Domestic Service in Chinese 1532 GMT 1 Dec 94

[By RENMIN RIBAO reporter He Jiazheng (0149 0502 2973), Central People's Broadcasting Station reporter Liu Zhenying (0491 2182 5391), and XINHUA reporter Wu Jincai (0702 6930 2088)]

[FBIS Translated Text] Beijing, 1 Dec (XINHUA)—The CPC Central Committee and the State Council held a central economic work conference in Beijing From 28 November to 1 December. The conference summed up work in reform and development over the past year, analyzed the current situation, achieved unity in thinking and understanding, and studied and decided on the guiding ideology, main tasks, policies, and measures for economic work in 1995.

During the conference, Jiang Zemin, general secretary of the CPC Central Committee, delivered an important speech entitled "Gain a Clear Understanding of the Situation, Achieve Unity in Thinking, and Do a Good Job in Next Year's Economic Work." Li Peng, premier of the State Council, delivered an important speech entitled "Continue To Strengthen and Improve Macroeconomic Regulation and Control To Ensure the Sustained, Rapid, and Healthy Development of the National Economy Next Year." Zhu Rongji, member of the CPC Central Committee Political Bureau Standing Committee and vice premier of the State Council, delivered a concluding speech entitled "Achieve Unity in Understanding and Move in Unison."

Leading Comrades Qiao Shi, Li Ruihuan, Liu Huaqing, and Hu Jintao attended the conference.

The conference set the general guiding ideology for next year's economic work as follows: Upholding Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line; fully implementing the guidelines of the 14th CPC National Congress, the Third Plenary Session of the 14th CPC Central Committee, and the Fourth Plenary Session of the 14th CPC Central Committee; continuing to keep in mind the overall requirements for "seizing the opportunity, deepening reform, opening up wider, promoting development, and maintaining stability" in work throughout the party and country; handling the relationship between reform, development, and stability more properly; accelerating the pace of establishing a socialist market economic system; and realizing sustained, rapid, and healthy national economic development and all-round social progress.

Based on this guiding ideology, the central economic work conference set forth the following main tasks for

next year's economic work: Continuing to strengthen and improve macroeconomic regulation and control to control inflation, and maintain the good momentum in national economic development; promoting various supplementary reforms, based primarily on the deepening of reform in state-owned enterprises, to improve the macroeconomic management system; increasing input in agriculture to ensure the supply of agricultural and sideline products, and to bring about all-around development and prosperity to the rural economy; and stepping up restructuring, strengthening management, and promoting technological progress to improve overall economic quality and efficiency.

The conference pointed out: The overall situation is good. Since the beginning of this year, new headway has been made in reform, opening up, economic construction, and various endeavors. Fairly smooth progress has been made in introducing, one after another, several important reforms aimed at establishing a socialist market economic system. The effort to strengthen and improve macroeconomic regulation and control has yielded more results; the economic structure and financial order have improved somewhat; key construction and technical transformation projects have been strengthened; and the national economy has developed in a sustained and rapid manner. The country has opened up wider to the outside world, registering continuing growth in imported foreign capital and in export and import trade. The real living standards of urban and rural residents continued to improve. Various endeavors—scientific and technological, educational, and cultural—have flourished. Efforts to promote socialist spiritual civilization, democracy, and the legal system have been intensified. Various anticorruption tasks have yielded varying degrees of results in different stages. Social stability has been maintained in the course of advancement in reform and rapid economic development.

After accurately appraising the achievements scored this year, the conference analyzed the difficulties and problems encountered on the road of advance. At present, the most outstanding problems are a relatively weak agricultural foundation, difficulties facing some state-owned enterprises in production and operation, and poor public order in some localities. The conference called for analyzing the current economic situation scientifically, comprehensively, and realistically. In a good situation, we should not lose sight of existing problems, keep a clear head, and take practical and effective measures to better perform all our work in a down-to-earth manner.

The conference pointed out: To perform economic work well next year, we must accurately understand and grasp the following several issues: (1) We must resolutely check inflation and regard the stabilization of market prices and the checking of inflation as the key to correctly handling the relationship between reform, development, and stability. (2) We should truly strengthen agriculture as our first task in economic work, be determined to

increase investment in agriculture, and raise the proportion of agricultural investment in the total amount of investment; we should try to raise agricultural investment to a rational level in several years. It is necessary to do so from the central to the local levels. (3) We should deepen reform of the economic structure, with the stress on state-owned enterprises; in establishing a modern enterprise system we should take all factors into consideration, make overall planning, do a good job in conducting experiments and summing up experiences, and popularize the modern enterprise system step by step. (4) We should make particular efforts to improve the quality and efficiency of economic growth and overcome the tendencies toward starting new projects without planning and concentrating unduly on output value or the growth rate. (5) We should control the consumption fund which has increased too fast, resolutely overcome the tendency of some units to blindly increase incomes for individuals and institutional consumption; at the same time, we should be concerned very much about the livelihood of low-income people in poverty-stricken areas, and that of workers and staff members of enterprises with difficulties, and help them surmount difficulties. We should develop the spirit of carrying out arduous struggle and building the country and all undertakings through thrift and hard work in society. (6) We should further open wider to the outside world and consolidate and develop the pattern of all-directional opening up. (7) We should strengthen and improve macroeconomic regulation and control, and lose no time in solving contradictions and problems in economic development.

The conference called for strengthening and improving party leadership in economic work. We should make continuous efforts to do a good job in arming the whole party with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. We should ensure the implementation of the party Central Committee's guiding ideology, principles, and policies on economic work and the smooth enforcement of government orders. We should improve our work methods and raise the party's art and level of leadership over economic work. We should carry forward the fine tradition and work style of seeking truth from facts. We should persist in simultaneously building a socialist material and a socialist spiritual civilization, while attaching equal importance to both. Propaganda and ideological work is a political advantage of our party, and propaganda departments have done a good job in coordination with economic work in recent years. We should make full use of this political advantage so that it will better serve the needs of reform, opening up, and modernization.

Next year will be the last year of the Eighth Five-Year Plan. The conference pointed out: To continuously maintain the good momentum of economic development next year, we must effectively perform our work in seven aspects: First, we should maintain an appropriate economic growth rate, create a relatively unrestrictive [jiao wei kuan song di 6525 3634 1401 2646 4104]

macroeconomic environment, promote reform and development better, and divert more of our attention on economic development to structural readjustment and the improvement of economic returns. Control of the scale of investment in fixed assets should be carried out as an important task in macroeconomic regulation and control next year. Second, we should control the rate of price rises and resolutely check inflation. Next year we should continue to implement the 10 measures for stabilizing market prices and checking inflation put forward by Premier Li Peng at a televised national conference held last September on the strengthening of price control. Third, it is necessary to greatly develop agriculture and the rural economy. It is necessary to truly do a good job in grain and vegetable supplies, to ensure the effective supply of major sideline agricultural products, as well as to ensure the steady increase of farmers' income. Development of the village and township enterprises, secondary industry, tertiary industry, and comprehensive development of the rural economy should be continued. Fourth, we should conscientiously do a good job of production in the industrial and transport sectors, and give prominent status to the readjustment of the structure and raising of efficiency. All enterprises are urged to face market competition, tap potentials, reduce energy consumption, aggressively develop and produce marketable products for domestic and foreign markets, improve the linkup between production and marketing, and raise their competitiveness. Great attention needs to be paid to enhancing enterprise management and to comprehensively improving the coordination capability in the production of industrial and transport sectors. Fifth, we must strive to increase revenue, cut expenditures, and strictly enforce financial budgets. Sixth, we should improve the investment environment and continue to implement the policy of opening wider to the outside world. Seventh, we must step up formulating the "Ninth Five-Year" Plan.

Meeting participants pointed out that as the reform of state-owned enterprises is the main point of next year's reform efforts, it is necessary to continuously implement the "Regulations on the Transformation of the Management System of State-Owned Enterprises" and enforce the "Supervision and Management Regulations" as soon as possible. The central government, provinces, and municipalities will respectively select a number of enterprises to carry out experiments with the establishment of a modern enterprise system; help bring about a standard operation at joint stock companies, listed companies in particular; they will, with regard to the task of industrial structure readjustment, establish a bankruptcy mechanism through closing down, operation suspension, mergers, and operation transfer of a number of enterprises; develop enterprise groups in conjunction with industrial structural readjustment; actively help enterprises get rid of excessive debts; and appropriately deal with the issue of surplus personnel in enterprises. Meeting participants also said, as part of enterprise reform there is a need to carry out social protection

system reform with the main focus on reforming pension and unemployment insurance systems. Before establishing a new and sound social protection system, one must take China's current situation into consideration; the protection level must be commensurate with China's present level of economic development; the endurability limit of the state, enterprises, and individuals must be taken into account; and it is necessary to help form a multi-level social protection system. While continuing efforts to consolidate and perfect the reform measures of the macro management system which have so far been introduced this year, it is necessary to aggressively nurture the market, step up economic legislation, and improve economic order in line with reform and development requirements.

Meeting participants called for conscientiously doing a good job in economic work in the last month of this year. They called on all to strive to increase revenue and cut expenditures; they urged localities and departments to step up control over expenditures, to tighten all expenditure planning, to strictly control the number of summing-up meetings and commendation meetings before the end of the year, to strictly ban the rush to spend all money before the end of the year, to forbid the issuance of gift money, gift coupons, or purchase coupons for any reason. They called for strict control of credit and loan scales and for readjusting the loan structure; for ensuring a timely supply of loans and funds needed for the state's major construction projects in line with the progress of projects and with the collected amount of funds through individual efforts; for supporting the state-owned enterprises' engaging in market-oriented, effective, and no-stockpiling production and marketing. They urged banks to continuously make great efforts to attract deposits, to withdraw more money from circulation, and to enhance fund management. They called for a conscientious implementation of the responsibility system on the supply and management of farm sideline product procurement fund and putting an end to the practice of issuing IOU's. They noted the need to continuously do a good job in autumn grain and cotton procurement work. Finally they called for devoting great attention to market supply during the New Year and the Chinese Lunar New Year holidays and for doing a truly good job on market supply.

Group discussions were conducted during the conference. Persons in charge from Tianjin Municipality, Jilin Province, Jiangxi Province, Guangdong Province, Sichuan Province, and Gansu Province spoke at the conference.

Leading comrades also attending the Central Economic Work Conference included Ding Guangen, Tian Jiyun, Li Lanqing, Li Tieying, Wu Bangguo, Zou Jiahua, Chen Xitong, Jiang Chunyun, Qian Qichen, Huang Qu, Wei Jianxing, Xie Fei, Wen Jiabao, Ren Jianxin, Chi Haotian, Chen Junsheng, Ismail Amat, Peng Peiyun, Luo Gan, Zhang Siqing, Wu Xueqian, Wang Zhaoguo, and Zhu Guangya.

Major comrades in charge from provinces, autonomous regions, and municipalities, and from the CPC Central Committee and State Council departments attended the conference.

Outlines Economic Plan for 1995

OW0112163194 Beijing XINHUA in English 1620
GMT 1 Dec 94

[FBIS Transcribed Text] Beijing, December 1 (XINHUA)—China will continue to strengthen macro-control over the national economy in order to seek a sustainable, rapid and healthy economic development next year, according to a bulletin released by a top national economic meeting.

At the four-day meeting, under the auspices of the Chinese Communist Party Central Committee and the State Council, party General Secretary Jiang Zemin and Premier Li Peng made important speeches on the country's economic situation and its economic plan for next year, according to the bulletin.

Vice-Premier Zhu Rongji made a concluding speech at today's session calling for unified efforts in fulfilling the tasks.

The guideline of next year's economic work, according to the bulletin, is to stick to Deng Xiaoping's theory of building socialism with Chinese characteristics, to uphold the party's basic line, and to implement the decisions passed by the party's 14th national congress and the third plenary session of the party central committee.

The bulletin calls on the whole party and the whole country to "grasp opportunities, deepen reform, expand opening to the outside world, promote development and maintain stability", and smoothly handle the relationships among reform, development and stability while speeding up the setting up of a socialist market economic structure and realizing a sustainable, rapid and healthy development of the national economy and overall social progress.

Following this guideline, the national conference on economic work was told, the major tasks for next year will include:

- Continuing to strengthen and improve macro-control, halting inflation, and maintaining the momentum of economic growth;
- While a complete set of reforms is carried out, the top priority of reform will be given to deepening the reform of state-owned enterprises and improving macro-management;
- Increasing agricultural input to guarantee a sufficient supply of agricultural and sideline products and growth of the rural economy;

—Strengthening management, promoting technological progress, and improving the overall quality of the economy and economic benefits.

According to the bulletin, the country's general economic situation is good, citing new progress in reform, achievements in strengthening and improving macro-control, improving the economic structure and financial order, and strengthening key construction projects and technological upgrading.

The bulletin noted that the people's standard of living has maintained its rising trend and social stability has been successfully secured in line with the nationwide reform process and rapid economic growth.

It said the major problems the country is facing include relatively weak agricultural foundation, difficulties for some state-owned enterprises and declining public security situation in some areas.

Calls For Budget Fulfillment

OW0112180494 Beijing XINHUA in English 1730
GMT 1 Dec 94

[FBIS Transcribed Text] Beijing, December 1 (XINHUA)—All central and local authorities are being urged to strive for a successful fulfillment of this year's state budget.

The working conference on the national economy, held jointly by the Chinese Communist Party Central Committee and the State Council, stressed today at its closing session the importance of increasing revenue and reducing expenditure during the last month this year.

Departments at all localities must tighten the control of outlays and cut expenditure on their activities, including various kinds of meetings and celebrations, in the last month this year, the conference said.

No pretext can be made for issuing souvenir bills or purchasing coupons, the meeting said.

The conference also said that for the banking sector, it is necessary to strictly control the scale of credits and improve the structure of loans.

The state's key construction projects should be provided with sufficient funds, and bank support should also be given to the production and marketing of state enterprises that enjoy brisk markets and ideal efficiency, according to the meeting.

Banks should make continuous efforts in absorbing deposits and increasing the retrieval of money in circulation, according to the conference.

In agriculture, the government purchase of grain and cotton should be enhanced while enough funds being provided to meet the end, the conference said, stressing that "IOU's" are impermissible.

The conference also asked governments at all levels to pay close attention to the market demands during the new year's day and the spring festival early next year, and supply ample goods for the festival market.

Targets Growth, Harnessing Inflation

OW0112180994 Beijing XINHUA in English 1800 GMT 1 Dec 94

[FBIS Transcribed Text] Beijing, December 1 (XINHUA)—Maintaining economic growth and bringing down inflation would be set as the Chinese Government's two major economic tasks for 1995.

The working conference on the national economy, held by the Chinese Communist Party Central Committee and the State Council, said at its closing session today that, to maintain a steady development of national economy, work in the following seven aspects should be carried out next year:

- Keeping an appropriate economic development speed and creating an easier macro-economic environment. This means pushing reforms and development, readjusting the mechanism and raising efficiency, and concentrating more efforts on maintaining a smooth economic development. Controlling the fixed asset investments should be considered a major task for next year's macro-economic control.
- Controlling the rate of price hikes and curbing inflation. Next year the government must continue to practise the ten policies of stabilizing market prices and restraining inflation, which were raised by premier Li Peng on a national video conference in September this year.
- Developing agriculture and rural economy. The country must pay close attention to people's "rice bags" and "vegetable baskets", guarantee effective supply of major farm and related products, guarantee a steady increase in farmers' incomes. Rural enterprises must continuously develop along with secondary and tertiary industries, and the overall rural economy.
- Further development of industrial production. Work to readjust industrial mechanisms and raise efficiency should be given priority. All enterprises should take the market into account, tap into their potential resources and reduce the consumption of materials. Moreover, enterprises should actively develop products which will sell well on both domestic and international markets. Relations between production and sales should be improved, to enhance enterprises' competitiveness on the market. Enterprise management and comprehensive coordination work should be strengthened.
- Increasing revenue and reducing expenses. Financial budgets should be strictly implemented.

—Improving the investment environment and beefing up opening efforts.

—Speeding up the drafting of the Ninth Five-Year Plan (1996- 2000).

The conference stressed that reform of state-owned enterprises will also be the focus of the nation's goals for the 1995.

It called for further implementing the regulations on transformation of the management mechanism and financial supervision of state-owned enterprises. Next year, the government will select a group of enterprises to carry out the trial operation of establishing a modern enterprise system.

In the meantime, standard operation will be required in share- holding companies, especially those that have their stock listed.

The government will also set up a bankruptcy system in state- owned enterprises.

Along with the readjustment of industrial systems, large enterprise groups will be developed.

The government will play an active role in solving debt-default problems, which have already imposed heavy burdens on state-owned enterprises.

In addition, the government will also pay adequate attention to the unemployed issue in state-owned enterprises.

The conference said that impetus will be given to reforming the social welfare system in the coming year, which mainly focuses on old-age pensions and unemployment insurance.

The social welfare level should suit the present national level of production, it said, adding that the level should be compatible with the abilities of the state, the enterprises and the people. Moreover, the new system should be a multi-level one.

The meeting stressed that the reform measures carried out this year should be reinforced and improved on and in the meantime more efforts will be devoted to actively develop various markets, promulgate economic laws, and improve economic orders.

Controlling 'Runaway' Inflation

OW0112181494 Beijing XINHUA in English 1807 GMT 1 Dec 94

[FBIS Transcribed Text] Beijing, December 1 (XINHUA)—Chinese officials have said that controlling runaway inflation will be a major focus of economic work next year.

A top-level national economic meeting which opened on Monday [28 November] maintained that inflation must be firmly curbed and practical measures adopted.

In the past ten months inflation rates in many major Chinese cities have exceeded 20 percent, which has caused great concern among both officials in charge and ordinary people.

The meeting maintained that the inflation must be properly handled to serve as the crucial element in dealing with the relationship between reform, development and stability.

Besides inflation, the meeting also urged putting agriculture at the top of the government work agenda, and increasing the proportion of agricultural funding in the whole budget.

It asked both central and local governments to raise agricultural funding in the next few years.

As to the deepening of economic reform, China will focus on state-owned enterprises, where a complete modern enterprise system will be set up.

There should be an overall plan for the realization of the target, the meeting pointed out, and all factors should be taken into consideration.

Meanwhile, economic quality and efficiency must be improved, and the tendency to blindly launch new projects or merely pursue outputs and speed must be halted.

The meeting also called for tighter control of consumption funds, random increase in personal incomes.

It asked governments at all levels to ensure the livelihoods of the people in poor areas, the low-paid workers and those in loss-making firms.

The meeting urged further opening to the outside world by consolidating and developing the current all-round opening process.

The meeting pointed out the importance of macro-control of the economy, and called for propi-ate handling of the problems in the course of the country's economic progress.

To achieve all the economic goals, the meeting noted, there is a need for the reinforcement and improvement of the party leadership.

RENMIN RIBAO on Meeting

OW0212060694 Beijing XINHUA Domestic Service in Chinese 1559 GMT 1 Dec 94

[RENMIN RIBAO 2 December editorial: "Gain a Clear Understanding of the Situation and Set Clear Tasks"]

[FBIS Translated Text] Beijing, 1 Dec (XINHUA)—The year 1994 is about to end, and 1995 will soon be here. People of all nationalities in the country, who are enthusiastically carrying out reform, opening up, and socialist modernization, are very concerned about next year's

economic work, about the guiding ideology that should be observed in such work, and about the main tasks that should be completed.

General Secretary Jiang Zemin, Premier Li Peng, and Vice Premier Zhu Rongji delivered important speeches during the just-concluded central economic work conference. The CPC Central Committee and the State Council made clear-cut plans for next year's economic work.

The general guiding ideology for economic work in the new year is: Upholding Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line; fully implementing the guidelines of the 14th CPC National Congress, the Third Plenary Session of the 14th CPC Central Committee, and the Fourth Plenary Session of the 14th CPC Central Committee; continuing to keep in mind the overall requirements for "seizing the opportunity, deepening reform, opening up wider, promoting development, and maintaining stability" in work throughout the party and country; handling the relationship between reform, development, and stability more properly; accelerating the pace of establishing a socialist market economic system; and realizing sustained, rapid, and healthy national economic development and all-around social progress.

To effectively implement the conference's guidelines, we must gain a clear understanding of the situation, both domestic and international, paying special attention to the economic situation throughout the country. This is because the guiding ideology and tasks set forth by the central authorities are the results of a scientific, comprehensive, and realistic analysis of the situation.

The international situation can be summed up in four phrases: movement toward a multipolar structure, a somewhat relaxed situation, complex and changing contradictions, and a world that is not peaceful. Generally speaking, now is a period—since the founding of New China—during which our diplomatic activity has the widest latitude and our market prospects are the most promising. This has afforded our country a rare historic opportunity for its reform, opening up, and modernization.

The overall domestic situation is good. This year, we have reformed our fiscal, taxation, banking, foreign exchange, foreign trade, investment, pricing, and distribution systems in accordance with the requirements for establishing a socialist market economic system. Although the reforms cover a wide range of areas and pose great difficulties, we have made even smoother progress than what people had expected, and also achieved fairly good results, thanks to concerted efforts across the country, and to the attention paid to merging various reforms and promptly solving contradictions and problems that we have encountered in the course of implementation. On the basis of rapid growth over the past two years, the national economy is projected to grow some 11 percent for the entire year. There has been some

readjustment of the industrial product mix. Despite serious natural disasters, the agricultural sector has had a fairly good harvest. The growth in fixed assets investment has slowed, bringing some improvement to the investment structure. Domestic markets have been thriving. The export and import trade has continued to grow, as has imported foreign capital. The lives of urban and rural residents have continued to improve on the basis of economic development. Excluding price factors, the actual consumption level has improved significantly over last year's.

While affirming our achievements, we must be aware of existing problems and difficulties, as well as things that have aroused public dissatisfaction. Some deep-seated contradictions in economic operations, for example, have not been solved once and for all. We lack an effective mechanism and means for keeping total supply and demand in balance. The extensive operational mode is still hampering the optimization of the economic structure and the improvement of economic efficiency. The disparities between workers and peasants, and between urban and rural areas, have yet to be resolved rationally. Excessive price increases over the past two years in a row, in particular, have become problems of concern to all sectors of society. This year's drought and floods have further revealed that agriculture remains the weakest sector of the national economy. Some state-owned enterprises are saddled with production woes and heavy debts. Public order in some areas is poor, and the list goes on.

To understand the situation accurately, we should first approach issues in an all-around manner. When judging the situation, we should examine both achievements and problems, consider both local and overall interests, and think of the present as well as the future. The situation denotes the general state of affairs. It would be very difficult to clearly understand the situation without taking overall interests into account. People may judge the situation differently because of differing positions and diverse interests. A situation that appears to be "good" from a certain perspective may "not be good" or "not be that good" from a different perspective. In fact, what is most needed in pursuing a market economy is to have a clear understanding of overall interests and to keep track of changes in the market. This is because the entire country is a single large market, and the domestic and international markets are interconnected. Only by judging the situation from a general perspective can we grasp the essence, follow the main trends, act with foresight, and make judgments and policy decisions that are beneficial to both local and overall interests.

To understand the situation accurately, we must analyze problems scientifically instead of eschewing them. Take commodity prices as an example. The experiences of other countries in the world, as well as practice in our country since the introduction of reform and opening up, show that a period of rapid economic development is inevitably accompanied by some inflation. Meanwhile,

they also show that excessive inflation is not only harmful but is even dangerous. Neither the assertion that "inflation is harmless," nor the assertion that "inflation is beneficial to development," is scientific. We should never lower our guard against inflation. We must make a concrete analysis of this year's prices. There are many reasons for this year's stubbornly high price increases: Excessive growth in fixed assets investment and consumption funds over the past few years, the lingering effects of excessive money supply in recent years, inadequate supplies of essential goods in some areas caused by lower output of certain agricultural and sideline products in the wake of serious natural disasters this year, chaotic distribution, and abnormal market activity. Scientific analysis helps us gain a clear understanding of the situation and find solutions to problems.

To understand the situation accurately, we must approach problems realistically. The so-called situation is an objective reality independent of our will. It is not "how it is perceived," much less "how it should be." In evaluating state-owned enterprises, for example, we should be aware of their existing problems, and what is more, their indelible contributions to developing the national economy, and their leading status in basic industries and in the national economy as a whole. Only by doing so can we have confidence in making enterprise reform a success and give priority to it. Also, our economic scale is already fairly large and the scale of projects under construction is sizable. Our national resources can hardly sustain us if our substantial input yields little output as a consequence of our persistence in "setting up shop" [launching new projects] instead of focusing on improving economic efficiency. Even if we have good intentions, it will be difficult for our economy to move onto the track of sustained, rapid, and healthy development. Also, the ultimate goal of our modernization drive is to improve the people's living standards. There is no doubt about this. Growth in consumption funds has now outstripped the increase in labor productivity. The way income is distributed favors the individuals too much. We must pay attention to solving this problem to safeguard the people's fundamental and long-term interests.

The central economic work conference set the following main tasks for next year's economic work: 1. Continuing to strengthen macroeconomic regulation and control to control inflation and maintain the good momentum in national economic development; 2. Promoting various supplementary reforms, based primarily on the deepening of reform in state-owned enterprises, to improve the macroeconomic management system; 3. Increasing input in agriculture to ensure the supply of agricultural and sideline products and to bring about all-around development and prosperity in the rural economy; 4. Stepping up restructuring, strengthening management, and promoting scientific and technological progress to improve overall economic quality and efficiency.

To ensure the completion of these tasks, party commitments and governments at all levels should conscientiously

implement the central guiding ideology, principles, and policies on economic work; keep these principles and policies solemn and authoritative; and ensure that policies and decrees are truly implemented. Leading organs should strive to improve their work method and style in keeping with the requirements of the new situation.

Next year is the last year of the "Eighth Five-Year Plan." Let us gain a clear understanding of the situation, achieve unity in thinking, pool the wisdom of the masses, make earnest efforts, seek new and even greater progress in economic work, and create a situation that is even more favorable for attaining the second-step strategic objective of the modernization drive during the "Ninth Five-Year Plan," all under the leadership of the CPC Central Committee with Comrade Jiang Zemin as the core.

Meeting Closes

HK0212060694 Hong Kong SOUTH CHINA
MORNING POST in English 2 Dec 94 pp 1, 12

[By Willy Wo-Lap Lam]

[FBIS Transcribed Text] China's pivotal National Work Meeting on the Economy closed in Beijing yesterday with a call by the leadership to seek non-inflationary growth and to boost central control. In keynote speeches President Jiang Zemin Prime Minister Li Peng and Vice-Premier Zhu Rongji stressed "the unification of thinking" and the need for the regions and enterprises to heed Beijing's fiats.

Sources close to the conclave, which was attended by top cadres including the seven members of the Politburo Standing Committee and provincial leaders, said the dominant themes were fighting inflation, restoring fiscal discipline and rationalising the economic structure. The leadership also endorsed a cautious plan for the reform of state enterprises that would feature unemployment benefits to avoid de-stabilising social side-effects.

A relatively brief communique of the meeting was released last night by national television and official news agencies. The official agencies reported that the conference had set seven major tasks for 1995: curbing inflation; boosting agriculture; reforming state enterprises ensuring efficient growth, cutting consumption; expanding the open-door policy; and strengthening government controls.

The agencies quoted participants as pointing out that the foremost goal next year was "to continue to strengthen and improve macro-level adjustments and controls, to curb inflation, and to maintain the good trend of national economic development". Reform of state enterprises will be "deepened" through "building up a modern management system".

Top priority will be put on agriculture, with more state funds to be invested and measures introduced to "render

the rural economy prosperous". On the pace and direction of economic development, the meeting underscored the imperative of "maintaining an adequate speed of growth". The communique highlighted "the quality and efficiency" of development, insisting that the Great Leap Forward mentality must be eschewed.

Localities as well as enterprises were told to spend within their budgets by shrinking their "consumption funds" and "assiduously boosting income and cutting expenditures". Speeches made by Mr Jiang and Mr Li committed the nation to seeking a "sustained, speedy and healthy development" as well as "treating well the relationship between reform, development; and stability". Sources close to the conference said, however, that the accent was on "healthy and stable development" which would ensure a smooth transition to the post-Deng Xiaoping era.

In a speech yesterday that closed the conference economic czar Mr Zhu called upon cadres, particularly those from the rich coast, to "unify their understanding of the economic situation and the goals of the entire nation". "We must harmonise our measures and steps in order to strike a balance between economic development on the one hand, and fiscal discipline and national balance on the other," sources quoted Mr Zhu as saying.

The meeting vowed that in 1995, "major strides" would be taken in enterprise reform, deemed the worst malaise of the economy. However, the measures endorsed steered clear of radical steps such as privatisation, massive bankruptcies, or the large-scale conversion of state concerns into shareholding companies. The leadership cited the need to build up a social insurance system whose main features were a pension system and unemployment benefits

CPC Circular on Rural Primary Organizations

OW0112025294 Beijing XINHUA Domestic Service in Chinese 0716 GMT 24 Nov 94

[FBIS Translated Text] Beijing, 24 Nov (XINHUA)—To implement the decision of the Fourth Plenary Session of the 14th CPC Central Committee, vigorously strengthen primary organizations in rural areas with party organizations as the core, and promote reform, development, stability, and overall progress in rural areas, the CPC Central Committee specifically issued a "Circular on Strengthening Primary Organizations in Rural Areas" in recent days, urging all localities and departments to implement it in earnest. The following is an excerpt of the circular's main contents:

I. Vigorously Strengthening Rural Primary Organizations To Fulfill the Party's Historical Tasks in Rural Areas During the New Period

1. China is in a crucial period of reform, opening up, and modernization. The entire party and people across the country are working hard to initially establish a socialist market economic system by the turn of the century and

to attain the goal of achieving a relatively comfortable living standard for the people. Agriculture is the foundation of the national economy and the entire socialist modernization drive. Peasants are the forces on which we basically rely in building socialism with Chinese characteristics. The tasks over the next few years are very arduous if we want to bring our country's agriculture into a new stage, seek new progress in rural reform, bring new changes to society in rural areas, and achieve relatively comfortable living standards in most rural areas in the country. We must mobilize people in all quarters to make arduous efforts. Of these, the most important basic task is to strengthen primary organizations in rural areas. Only if we further strengthen the more than 800,000 primary organizations in rural areas across the country can we ensure the implementation of the party's basic line, principles, and policies; rally hundreds of millions of peasants closely around the party and form them into powerful forces for building new socialist rural areas; and promote the deepening of rural reform, economic development, and social progress. Comrades throughout the party must fully recognize the great significance of strengthening primary organizations in rural areas within the overall strategic context.

2. Over the past few years, especially since Comrade Deng Xiaoping delivered his important talks during his tour of southern China and the 14th CPC National Congress, party committees at all levels have achieved noticeable results in actively promoting the construction of village-level organizations with party branches as the core and in expending tremendous efforts in this respect in accordance with the party Central Committee's plans. Profound changes and enormous progress in rural China are inextricably linked with the hard work of primary organizations in rural areas, cadres at the grass-roots level, and CPC members. We must fully recognize this fact. Meanwhile, we should be keenly aware that as the socialist market economy develops, primary organizations in rural areas are confronted with many new circumstances and some problems arising from varying degrees of maladjustment to the new situation. These problems merit close attention and must be resolved in earnest.

At present, the general situation in rural China is favorable. There are good opportunities for rural reform and construction. Party committees at all levels must have a clear understanding of the situation, seize the opportunity to make earnest and painstaking efforts at vigorously strengthening primary organizations in rural areas, and make new progress and achieve noticeable results in relevant work.

II. The Main Goals of and the Guiding Ideology for Strengthening Primary Organizations in Rural Areas

3. The effort to strengthen primary organizations in rural areas covers townships (towns) and villages, with emphasis on the latter. Over the next few years, we should endeavor to attain the following five goals [five

goods]: First, we should build good leading bodies, paying particular attention to appointing good secretaries who can unify and lead the people in firmly implementing the party's line, principles, and policies. Second, we should cultivate a good contingent so that CPC members can play an exemplary vanguard role, cadres can play an exemplary leading role, and Communist Youth League [CYL] members can serve as assistants and reserve personnel. Third, we should choose a good path for economic development so that we can make full use of local resources and quicken the pace of lifting peasants out of poverty and helping them to get rich. Fourth, we should improve on the good operating mechanisms by combining the advantages of collective and unified management with the initiative of peasant households in undertaking contracted operations to further invigorate our economic development and to guide and help peasants along the path toward common prosperity. Fifth, we should strengthen the good management system so that it reflects the principles of democratic management, ensures that our work is performed effectively, and gradually institutionalizes and standardizes various village-level endeavors.

4. Based on the results of investigations and studies, and aiming at achieving the "five goods" goal, all provinces (autonomous regions, municipalities), prefectures (cities,) and counties (cities) should lay down a specific program for strengthening the building of rural primary organizations in the next few years, and organize efforts to implement the program on a yearly basis. Specific demands should be set for and specific instructions should be provided to primary organizations in different states. The current pressing issue is to strive to rectify and build up within three years incompetent, loosely-organized, or paralyzed primary organizations to truly solve the prominent problem that has obstructed reform and development and affected our efforts to maintain stability. Higher demands should be set for the building of leading bodies of advanced villages that have effectively carried out the party's line, guiding principles, and policy, whose economies have developed rapidly, and who have maintained a good social atmosphere; and new economic development targets should be laid down for these villages to enable them to raise their work in all fields to a higher level, and to fully play an exemplary role in influencing, assisting, and leading others. The building of leading bodies of average villages should be strengthened, their economic development should be speeded up, and greater efforts should be made to build spiritual civilization in these villages to attain the objective of enabling their residents to live a more comfortable life.

5. All work in building rural primary organizations must be carried out under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line. We must insist on the unification of emancipation of the mind with seeking truth from facts, and we must adhere to the line

of coming from the masses and going to the masses. We should follow the following guiding ideology and work principles:

—In strengthening rural primary organization building, we should set our sights and plant our feet on ensuring the effective and thorough implementation of the party's basic line and rural policy, and should unite and lead the broad masses of peasants to work diligently to achieve the grand goal of rural development. We should consistently regard economic construction as the central task; set our aim on enabling the masses to live a more comfortable life and on building new socialist rural areas; and integrate the building of rural primary organizations with efforts to advance rural reform, development, and stability, and to enable them to facilitate one another. On the one hand, we should guard against the tendency of divorcing ourselves from the central task of economic construction and concentrating all our energies on building primary organizations; on the other hand, we should guard against the tendency of focusing all our efforts on economic construction and neglecting primary organization building.

—Grasping the key issue of party organization building, we should truly manage the party strictly; strengthen the building of rural primary party organizations in an all-around manner—ideologically, organizationally, and in work style—and enhance their ability to solve their own problems to enable party organizations to fully serve as the nuclear leading force for leading the masses of peasants to achieve common prosperity and progress.

—We should regard rural primary organization building as a systems project, and make coordinated efforts to build up village-level organizations with party branches as the nucleus. At the same time, we should pay attention to building an operation system aimed at providing better services, and to building a work system based on democratic management. Building in these areas is an inter-related entity; therefore, it should be carried out in all areas, not just in one of them.

—We should study new developments and solve new problems in the course of reform and development. We should sum up and promote the good experiences we have gained, and strive to enrich and refine these experiences in practice. At the same time, as the situation develops, we should make bold explorations, be courageous in conducting new experiments, and create and accumulate new experiences to raise primary organization building to a new level.

III. Village Party Branches and Other Organizations Should Regard as Their Basic Tasks Truthfully Carrying Out the Party's Basic Line and Uniting and Leading the Masses of Peasants To Work for a More Comfortable Life

6. Developing the rural economy in an all-around manner, ensuring the supply of essential agricultural

products, and increasing peasants' income are the party's central task in rural areas as well as a common wish of the broad masses of peasants. Rural primary party organizations should tightly grasp this central task; and, according to market demand, make use of local resources, bring up new ideas of achieving prosperity, and quicken the pace of economic development. We should adhere to the guiding principle of basing the economy on the public ownership system and of making simultaneous development in all economic sectors. We should forge the idea of developing macroagriculture, macromarkets, and a macrocirculation system; should maintain steady growth in grain and cotton production; and should endeavor to develop a diversified economy. We should forcefully develop village and town enterprises; and gradually consolidate trading and industrial and agricultural production operations, and consolidate production, supply, and marketing operations. We should systematically organize the rural labor force to build capital farming projects, develop secondary and tertiary industry, and develop small towns. Villages which have developed ahead of others should lead and assist poorer ones to achieve prosperity. Economically-underdeveloped villages should be self-reliant, should work diligently, tap their potentials, and step up mutually-beneficial cooperation with developed areas to quicken the pace of casting off poverty and achieving prosperity.

7. The responsibility system based primarily on household contracting with remuneration linked to output, and the dual management system that combines household and collective operations are the basic economic systems in rural China. We should stabilize household contract operations for a long time to come. On this basis, we should enrich collective and unified management, gradually strengthen the collective economic strength, and enhance service-related functions to expand both unified management in the collective sector and decentralized management under the household contract responsibility system. These are the primary means of strengthening the collective sector: sorting out financial affairs and properly managing and using collectively owned assets; improving contract responsibility systems in various sectors and rationally collecting contract fees in accordance with contractual provisions; and making full use of local resources, actively organizing exploratory productive activities, setting up economic entities, and vigorously developing village and tertiary industries. We should lend greater support to impoverished regions in developing village enterprises and diversified operations.

8. Primary organizations in rural areas must earnestly implement the principle of "carrying out two tasks simultaneously and devoting equal attention to both," under which they carry out the central task of developing rural productive forces while strengthening socialist spiritual civilization and improving peasants' ideological, moral, scientific, and cultural standards. They should wage thoroughgoing activities to create civilized villages,

small towns, and peasant households. Keeping in mind the thinking of peasants, especially young peasants, they should adopt methods that are acceptable to peasants to strengthen routine ideological and political work; persistently carry out education on patriotism, collectivism, and socialism; intensify education on the legal system; and vigorously promote the spirit of waging arduous struggles, getting rich through hard work, and assisting and caring for each other. They should enrich cultural activities in rural areas and change prevailing customs and habits while tightening management and supervision over rural cultural markets and steadfastly promoting wholesome, civilized, and progressive ideas and customs in rural areas.

IV. Strengthening Primary Organizations in Rural Areas and Enhancing Their Rallying and Fighting Power

9. In strengthening party branches, we should focus on building leading bodies and selecting good party branch secretaries so that they will become strong collectives capable of leading peasants toward a relatively comfortable living standard. We should emancipate our minds, and, in accordance with the principle of stressing both ability and political integrity, appoint as party branch secretaries fair and honest people in the prime of their lives who conscientiously implement the party's line, principles, and policies, and who can lead the people toward prosperity. We should pay particular attention to selecting people who respect knowledge and professionally trained personnel, and who are good at attracting and hiring professionally trained personnel. We should support incumbent party branch secretaries who have been tested in practice, who are equal to their jobs, and who enjoy popular support. Those who really have problems meeting their job requirements should be transferred without delay. In some villages where suitable candidates for party branch secretaries cannot be found immediately, we may adopt such measures as selecting outstanding people from party and government organs, as well as village and town enterprises, to take up jobs in the villages. We should broaden our horizons and widen the channels through which young intellectuals and retired servicemen in rural areas, key members in village enterprises, and outstanding people who leave their hometowns to do business are uncovered in a planned manner and trained meticulously. This is designed to let every county and township have a group of village-level cadres who can both lead the masses to attain the turn-of-the-century goal and play a key role in the 21st century following several years of hard work.

10. We should rationally readjust the way primary party organizations are set up, and improve their leadership and work methods in light of the new circumstances. The way party organizations are set up should be promptly readjusted in keeping with changes in the rural industrial structure, the employment pattern, and the distribution of party members. To maintain a small number of competent leaders and stress the importance of work

efficiency, a key leading member of a party branch, village committee, or collective economic organization may, as appropriate, hold several posts concurrently in such organizations. Villages with fairly rapid economic development and substantial party memberships may set up village party committees or general party branches at their discretion. If necessary, villages with relatively developed agriculture, industry, and commerce may change the way they establish party organizations only in administrative villages or residential areas in favor of setting up party organizations in some industries and in fairly large enterprises with substantial party memberships. All economic organizations under various kinds of ownership, with three or more party members each, should set up party organizations; if the number of party members is less than three, they may set up party organizations in conjunction with other units. All primary party organizations should strictly practice democratic centralism, establish and improve rules governing their work, actively take the initiative in launching related activities, and tighten inner-party supervision.

11. We should strengthen and improve the education and management of party members in rural areas to help them improve their quality in an all-around manner and enhance their party spirit. Over the next three years, we should organize, in a planned and step-by-step manner, all party members in rural areas to launch activities to study the theory on building socialism with Chinese characteristics and the party constitution. In studying the theory and the party constitution, we should take reality into account, conduct criticism and self-criticism, and promote achievement of the "five goods" in building rural primary organizations and the transformation of less advanced villages. This task is primarily organized and carried out by county (city) party committees. We should uphold and improve the objective-based responsibility system for the education and management of party members. We must combine intensive education with regular education, ideological education with the solution of practical problems, the promotion of positive factors with the elimination of negative factors, and the maintenance of the system of holding regular democratic meetings in the party with the maintenance of the practice of evaluating party members democratically to enhance the vitality of primary party organizations. We should launch activities in a lively manner to encourage competition in creating advanced party branches and in striving to become outstanding party members so that education and management will promote material and spiritual civilization and vice versa.

12. We should earnestly recruit party members from among outstanding young activists. We should render assistance to villages with serious aging problems among party members as a result of their chronic failure to recruit new party members to solve existing problems. We should step up efforts to train and recruit party members from among women. In recruiting new party members, we must base our work on conscientiously strengthening the training and education of activists,

strictly enforce the party constitution and relevant provisions, maintain our standards, and ensure the quality of new members. CYL organizations should do a good job of recommending prominent CYL members for party membership.

V. Strengthening Autonomous Villagers' Organizations, Collective Economic Organizations, and Mass Organizations, and Promoting the Institutionalization and Standardization of Various Village-Level Endeavors

13. We should earnestly implement the "Organic Law of Villagers' Committees (for Trial Implementation)," strengthen villagers' committees and villagers' groups, improve the villagers' autonomous system, and let autonomous mass organizations at the grass-roots level play a better role of self-management, self-education, and self-service. Party branches should provide stronger leadership over villagers' committees, and should support them in carrying out work in accordance with the law. Villagers' committees must place themselves under the leadership of party branches, and actively take the initiative in carrying out work that within the scope of their duties. Township and town governments should respect the legal status of villagers' committees and support their work. Villagers' committees should actively seek the guidance, support, and assistance of township and town governments, and make active efforts to complete the tasks laid down by township and town governments while performing autonomous functions. We should extensively launch activities aimed at establishing relevant institutions in accordance with the law, administering villages within the framework of those institutions, and exercising democratic management to inspire peasants' initiative for becoming masters of their own affairs. We should continue to launch activities that demonstrate how villagers' autonomy works. At present, we should pay close attention to the following: (1) An election system for villagers. Members of the villagers' committees should be elected through a democratic process. Elections shall be conducted in accordance with law; it is necessary to provide effective guidance, respect the democratic rights of villagers, and firmly battle and redress any election-related infractions of law and discipline. (2) A system for discussing business among villagers. Matters of importance in the village, including economic and social development plans, public services, and other hot issues of interest to all villagers, should be submitted, in accordance with relevant laws and regulations, to the meeting of villagers' representatives or the village congress for discussion and a decision in accordance with the principle of democratic centralism; we must not allow one or a few individuals to monopolize decision-making powers. (3) A system of handling village affairs in the open. All matters related to the interests of all villagers, especially when it comes to finances, assigning housing sites, names of women who have been approved to have a child that year, and how revenues from fines are used, should be published in a notice at regular intervals so that the people can exercise supervision. (4) A system of village

rules and regulations. In line with state laws, regulations, and policies as well as local conditions and beginning with the problems that villagers deem the most urgent, the village should—either at a meeting of villagers' representatives or through democratic discussion among the villagers—draw up statutes that are binding for all villagers, including cadres. Efforts should be made to incrementally enhance the substance of such standards governing the conduct of villagers and fine-tune procedures for implementing them.

14. We should establish well-managed collective economic organizations and give full rein to their functions in production, service, coordination, management, fund accumulation, resource development, and running enterprises. It is necessary to reinforce the ranks of backbone personnel who are well-versed in business and management, work actively to expand services, and raise the quality of services. To meet the needs of economic development, it may be necessary to set up, step by step, specialized service organizations that provide service to farming households before, during, and after the production process and guide and help the peasants to more efficiently adjust their production according to market needs. It is necessary to establish needed procedures governing collective economic organizations' internal activities and external dealings. Matters of importance should be decided after democratic discussions by the villagers. In all lines of business, it is necessary to follow the relevant regulations governing the signing of contracts; contracts should be signed and performed with earnestness. It is necessary to improve financial management, implement democratic management of money matters, and publish revenues and expenses at regular intervals for public supervision.

15. We should strengthen youth, women's, and militia organizations. Party organizations should place the building of CYL organs high on their agenda, support CYL work, and organize the most dynamic, energetic forces in the countryside into a vital new force in reform and construction. We should pay close attention and show concern for the development and work of women's organizations in rural areas and give full play to their role as bridges and channels in maintaining relations with women. We should attach great importance to and reinforce militia organizations. We should support the mass organizations in folding—each in line with their own characteristics—their activities around the party's central tasks and making contributions to achieving economic development and a relatively comfortable standard of living. All mass organizations should—in line with changes in the occupational distribution and mobility of the masses with which they maintain contact—readjust their organizational setup and style of operations and establish, under the new situation, new channels for uniting and maintaining contact with their members. As for village-level mass organizations incapable of carrying out their regular activities, party branches, village or township party committees, and the mass organizations themselves should assume their

responsibility in earnest by analyzing the cause of their incapacity and taking steps to help them reorganize and solve problems.

16. We should establish and strengthen public security and people's mediation units in villages and other organizations. We should bring up a contingent of backbone cadres to mediate, in a timely fashion, civil disputes and resolve contradictions among the people. We should mobilize the masses and rely on them in preventing and dealing with problems affecting public security, improve social public order through comprehensive measures, oppose feudal and superstitious ideas, strictly enforce the ban on gambling, suppress illegal religious or patriarchal activities, punish crimes, and safeguard and maintain social stability in rural areas.

VI. Strengthening the Ranks of Rural Grass-Roots Cadres and Raising Their Quality in a Comprehensive Way

17. The millions of grass-roots cadres in rural areas make up the backbone force for implementing the party's principles and policy in the countryside, accomplishing the various tasks, and uniting and leading the broad masses of the people in building a new, socialist countryside. The majority of this contingent are good. The qualities of a considerable number of them are, however, incompatible with the responsibilities assigned to them. We should implement effective measures to intensify training among them, helping them to learn more about Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, the socialist market economy, and new technology, or to get an elementary education. In line with local conditions, localities should formulate plans for training principal village cadres in stages. They should undergo at least 10 days of training each year, and such a training program should target several very urgent problems. We may also organize villages cadres to study at county or township party schools by turns; we may also send them on fact-finding tours to model villages that have achieved a relatively comfortable standard of living to gain experience and establish mutual assistance ties.

18. We should protect and mobilize the initiative of rural grass-roots cadres. The broad masses of rural grass-roots cadres working in the front lines of the countryside have a heavy responsibility on their shoulders. They have to deal with many problems and their workload is heavy. Party committees, government, and departments at all levels must show concern for, help, and support their work in all earnestness. (1) We should care for them politically. We should fully affirm the achievements of those exemplary rural cadres who are honest, clean, and hardworking and who have made outstanding contributions to rural development and progress. We should publicize their spiritual outlook and foster a social mode of respecting grass-roots cadres. (2) We should establish an inducement mechanism that is adapted to the special characteristics of primary organizations in rural areas, so

that village cadres will be encouraged to perform their best and so that they may lead a comfortable life after retirement and in old age. We should set up a system linking cadres' remuneration with job performance and guarantee that cadres who perform well will be rewarded accordingly. If a cadre is given a stamp of approval by the masses for outstanding performance, he or she should be rewarded. Conditions need to be created to establish a pension system for village cadres. An appropriate amount of subsidies should be provided to retired village cadres according to their length of service and their contributions. Counties and villages should aggressively explore ways to pay the paltry amount of delinquent salary subsidies to cadres who work in impoverished villages. Higher departments should extend necessary assistance to areas that are experiencing great difficulties. (3) Village cadres need support to boldly perform their official functions according to law. We should, in the spirit of seeking truth from facts, evaluate the merits and demerits, right and wrong, of grass-roots cadres and accord them fair and just treatment. We should support principle-upholding, hardworking cadres. If they have shortcomings, we should patiently help them. Leaders should step forward to assume responsibility if upper authorities are involved in the problem. A clear-cut stand must be taken to deal with acts of retaliation against cadres and resolute measures should be taken to put a stop to those retaliatory acts. Harsh punishment should be meted out according to law to perpetrators of retaliatory acts if those acts constitute a crime. (4) We should continue promoting the important system of recruiting township cadres from outstanding village cadres and perfect the system in practice.

19. We should do a good job in ideological and work style building among grass-roots cadres in rural areas. In education, we should urge them to follow the ideological line of emancipating the mind and of seeking truth from facts; firmly bear in mind the purpose of wholeheartedly serving the people; learn to take the mass line in daily work; carry forward the spirit of hard struggle and hard work; consciously resist the corrosion of money worship, individualism, and decadent lifestyle; overcome oversimplified and crude work styles; and refrain from fraudulent practices. Timely criticism and education should be conducted among cadres with wrong ideological thinking and work styles. And timely investigation should be made against acts that breach discipline and violate the law.

VII. Strengthen the Building of Village and Township-Level Party Committees and Governments and Make Them Genuinely Assume the Responsibility of Strengthening Village-Level Organization Building

20. As village and township party committees and governments bear a direct responsibility for village-level organization building, they must devote sufficient energy to persist in this work in a down-to-earth manner. Practicing a strict responsibility system is required.

Major party and government leaders should take the lead. Every village and township cadre should be responsible for their assigned tasks, regularly go to live and work in villages, and ensure realization of the goal of doing "five good things" in the area of village-level organization building. When evaluating the performance of village and township cadres, county party committees should make their performance in village-level organization building important criteria.

21. All village and township organs should set goals for building two civilizations in their villages and townships. Every village and township, every unit, and every cadre should work toward realizing those goals. Every year, representatives of village cadres and people's deputies shall evaluate the tasks performed by village and township organs and cadres. Promotions and demotions, awards and punishments should be based on the evaluation results. It is necessary to stress the work of selecting members of the county-level leadership from outstanding village and township leading cadres.

22. We should enhance the management and coordination functions of villages and townships and straighten out interdepartmental relations. As village and township party committees are the leading core of village and township work, they must do their utmost to fulfill their responsibilities and give full play to their roles. It is necessary to stress the central tasks, organize and mobilize personnel from counties (cities) who are directly assigned to village and township units to jointly implement the work arranged by higher level party committees and governments, strive for village-level organization building, for developing rural economy, and for bringing about progress in rural areas. A good job should be done in party building of county (cities) departments, law enforcement departments in particular, that are stationed in village and township units, help them conscientiously enforce the system of "publicly running public affairs, of publicly releasing results, and accepting the people's supervision," enhance party work style and clean government building, and resolutely rectify unhealthy tendencies. Depending on the situation, some of the organs transferred to village and townships shall be managed by villages and townships, others shall be jointly managed by villages and townships and by counties' competent departments. Prior consent should be sought from village and township party committees regarding the transfer, appointment and removal, reward and punishment of cadres in organs that practice dual management.

VIII. All Levels of Party Committees Must Enhance and Improve Leadership Over Primary Organization Building in a Down-to-Earth Manner

23. Provincial (autonomous regional, municipal), prefectural (city), and county (city) party committees should place the work of rural primary organization building high on their agendas. Leading party committee comrades should directly get in touch with all types of

villages and frequently go deep among the masses to discover and solve problems. Under the leadership of party committees, relevant administrative departments should be charged with respective tasks, closely coordinate with each other, and jointly manage grass-roots organization building. Organization departments under party committees or rural work departments should take the lead, report to each other about their work in a timely manner, and work in coordination. Provincial, prefectural, and county-level party and government organs should practice the system of assigning each department to take charge of a village. Leading cadres should take the lead in selecting a number of cadres to station in villages to understand real conditions there and to do more concrete things. This practice will not only help promote grass-roots organization building, but will also help train cadres and bring about a change in organs' work style. The practice should be systematized.

24. County (city) party committees are the key to enhancing rural primary organization building. County (city) party committees must fulfill the following functions: They need to devise work plans to enhance the entire county's (city's) grass-roots organization building; set annual targets and work out measures for target implementation; understand well the situation of rural primary organization building, stress main points, and provide specific guidance according to different situations; monitor village and township party committees' work on village-level organization building; provide good training to major village cadres; and study, establish and enforce an encouragement mechanism for village and township cadres. Higher level party committees should check county (city) party committees' performance in rural primary organization building in line with the aforementioned functions. As county (city) party secretaries are the most important individuals in charge of the county's (city's) work on rural primary organization building, they must assume full responsibility. Each member of a county-level leading group must get in touch with two to three villages, backward villages included, set goals, and frequently go deep among grass-roots units to provide concrete guidance.

25. All levels of party committees should carry out timely supervision over and inspection of rural primary organization building. Ways of supervision and inspection should not be limited to listening to reports; instead, they should go deep into villages and townships to directly hear the opinions of grass-roots cadres and the masses; obtain firsthand materials; study new situations; solve new problems; sum up experiences; and constantly promote the progress of work.

Lever Scales To Be Phased Out of Chinese Markets

*OW0112171994 Beijing XINHUA in English 1556
GMT 1 Dec 94*

[FBIS Transcribed Text] Beijing, December 1 (XINHUA)—Lever scales which are still widely used in Chinese markets will be gradually phased out, making way for electronic and spring balance scales, officials said.

A joint circular issued by the State Technical Supervision Bureau and the State Administration for Industry and Commerce said that shops and market stall-owners in large and medium cities should use reliable and easy-to-see scales instead of the present lever scales.

Local bureaus of industry and commerce should limit the use of the lever scales and adopt better ones, including electronic and spring balances, whose scales can be easily seen by both buyers and sellers.

Officials said that the circular is aimed at further standardizing market practices and protecting the interests of consumers.

In the past, lever scales have frequently been used by some vendors to cheat consumers, and reported cases of cheating have risen markedly over the past two years.

New Tax System Raises Some Enterprises' Taxes

OW3011130894 Beijing XINHUA Domestic Service in Chinese 1006 GMT 24 Nov 94

[By correspondents Li Lan (2621 5695) and Xiang Dong (4161 2639)]

[FBIS Translated Text] Beijing, 24 Nov (XINHUA)—The Chinese Entrepreneurs Investigation System [zhong guo qi ye jia tiao cha xi tong 0022 0948 0120 2814 1367 6148 2686 4762 4827] and the State Administration of Taxation's Policy and Regulations Department jointly conducted a survey on the impact of changes in circulation taxes in the first six months of 1994. The results indicated: Between January and June 1994 since China reformed its industrial and commercial taxation system, the overall tax burdens of China's enterprises have dropped slightly; some industries have paid more taxes while others have paid less; the new tax system has been steadily replacing the old one; and China still needs to make more coordinated efforts to improve its tax reform.

To accurately understand the changes and development in Chinese enterprises' tax burdens since China implemented its new tax system, the above two units made a special survey of 1,809 enterprises in 30 provinces, autonomous regions, and municipalities between August and November 1994. The data showed: According to estimates under the old tax system in the first six months of 1994, the surveyed enterprises would have to actually pay 7.51 percent on sales of taxable products even though their nominal tax rate was 8.81 percent; whereas under the new tax system, the enterprises will have to actually pay 7.76 percent on sales of taxable products, up 0.25 percent over that of the old tax system, but 1.05 percent lower than the nominal tax rate.

The survey analyzed: The main reasons Chinese enterprises' tax burdens dropped were that while implementing the new tax system, China has adopted some transitional policies. In light of actual conditions and to overcome problems that appeared when the new tax

system was first introduced, the State Council has promptly taken effective measures and formulated a series of transitional policies. The policies have played an effective role in alleviating and resolving problems for a small number of enterprises that faced difficulties because of the tax reform; in reducing the negative impact of the new tax system on the enterprises' production and operations; and in facilitating a smooth transition from the old to the new tax system. The transitional policies have quite considerably reduced the enterprises' total circulation taxes. The main factors included: The enterprises' circulation taxes dropped 0.77 percent after they were allowed to deduct part of the taxes already paid from their stockpiled goods in warehouses, and dropped another 0.54 percent after they readjusted their transportation costs. The two items led to a total drop of 1.31 percent in their circulation taxes. However, we need to point out: These transitional policies are temporary, and they only temporarily reduced the enterprises' total circulation taxes, for example, the policy on deducting taxes already paid from stockpiled goods in warehouses. Once the taxation department has deducted all the taxes already paid from stockpiled goods in warehouses, the enterprises' circulation taxes will rise slightly.

The survey results also indicated: China's reform in its industrial and commercial taxation system has abolished the original benefit-sharing pattern among various enterprises; and has unavoidably forced various enterprises to readjust their benefit-attaining structures. Consequently, some industries have to pay more circulation taxes while others, less. Twelve industries, especially those involved in excavation, out of the 27 surveyed industries have to pay more circulation taxes; whereas the 15, especially those engaging in processing, will pay less circulation taxes.

Economists held that other reform measures are needed before we can comprehensively implement the new tax system. It is true that some industries have to pay more circulation taxes since China reformed its industrial and commercial taxation system. However, such a situation is normal and suits the requirements of a socialist market economy. These industries should first consider the overall situation of reform, strengthen internal management, raise economic efficiency, and serve reform by internally absorbing these extra circulation taxes.

Bond Issues Total 330 Billion Renminbi Since 1981

HK0212055694 Beijing ZHONGGUO XINWEN SHE in English 1224 GMT 1 Dec 94

[FBIS Transcribed Text] Beijing, December 1 (CNS)—China has already floated national bonds valued at some RMB [renminbi] 330 billion since the resumption of such issuance in 1981, according to Mr. Li Dachun of the Deputy Director of the State Debts Management Department of the Ministry of Finance. Capital raised mainly went to fund the economic buildup.

Major progress was made in the reform of the national bond market since the establishment of the circulation market for national bonds in 1988. The national bond market became step by step the main part of China's securities market while awareness of investment in national bonds grew stronger gradually. The buying of national bonds lends support to national construction and is made an effective way to realize appreciation and preservation of value as well. Significance and superiority held by the national bond market is therefore recognized gradually in society.

Mr. Li made the remarks in the opening ceremony for the shooting of a television drama serial with a theme of issuance of national bonds which are considered an artery for the national finance. The drama jointly produced by the department and the Beijing Television Art Centre is designed to publicize ways in which the public can use their capital for making great fortunes as well as make the country and its people rich.

Investments in Fixed Assets Decline

OW0212123094 Beijing XINHUA Domestic Service in Chinese 2115 GMT 28 Nov 94

[By reporter Zhang Jinsheng (1728 6930 0524)]

[FBIS Translated Text] Beijing, 28 Nov (XINHUA)—According to the latest statistics of the State Statistical Bureau, the growth scale of the nation's investments in fixed assets continued to decline by a large margin in October. In the first 10 months of this year, investment in fixed assets by the nation's state-owned units grew by 40.4 percent over the same period last year, down 24.8 percent in terms of the rate of growth.

An analysis of the statistics shows that of the fixed assets investment in the first 10 months, infrastructure investment jumped 41.3 percent over the corresponding period last year, down 21.1 percent in the growth rate; investments to transform old enterprises rose 36.1 percent, a fall of 22.8 percent in growth rate; investment in real estate development grew 54.1 percent, down 79.7 percent in growth rate.

In the first ten months, the number of the newly startup projects was down 3,865 compared with the same period last year; and the total planned investment amount of 223.5 billion yuan was also down by 11.2 percent from the corresponding period last year. Local projects showed a marked decline. Investment in local projects posted an increase of 40.8 percent from the same period last year, a fall of 27.4 percent in growth rate. The decline in the growth rate of local projects was 17.4 percent more than that of the central government's projects.

While the investment growth rates kept falling, the investment structure continued to show improvement. More investment was pumped into the infrastructure and into the manufacturing of infrastructure-related equipment. In the first 10 months, investment in the

energy industry, transport, posts and telecommunications industry registered an increase of 44.7 percent over the same period last year, which was 44 percent of the total investment ratio and which represented a two percent rise over the same period. There was a marked increase in the utilization of foreign capital in fixed assets investment. In the first 10 months, China used 607 million yuan of foreign funds in fixed assets investment, up 115 percent from the corresponding period last year, which accounted for 10.8 percent of all allocated loans and represented a rise of 3.3 percent over the same period last year.

State Iron, Steel Firm Earns Record Income in '94

OW0212120494 Beijing XINHUA in English 1123 GMT 2 Dec 94

[FBIS Transcribed Text] Beijing, December 2 (XINHUA)—The Capital Iron and Steel Corporation (Shougang), one of China's largest state-owned enterprises, has made a record high income this year, largely by running businesses overseas.

Exports and overseas business together earned 670 million U.S. dollars in the first ten months of the year. The total income in foreign exchange is expected to reach 800 million U.S. dollars by the year end, executives from the company predicted.

The iron and steel giant, with 262,000 employees, now has 157 factories and mills. Its fixed assets are valued at 88 billion yuan.

In addition, it has bought several listed companies in Hong Kong and an iron ore company in Peru since 1991.

The "Tung Wing Steel (Group) Ltd" of Hong Kong stepped out of the red following its takeover by Shougang in 1992 and had made a profit of 64.21 million Hong Kong dollars by April this year.

The Peruvian company, Hierro Iron Mine, which was loss-making before the takeover, made a profit of more than five million U.S. dollars in the first year after it was purchased by Shougang. The company produced 6.75 million tons of iron ore from January to October this year, worth seven million U.S. dollars.

Meanwhile, exports of steel added income to the company. It exported some 700,000 tons of rolled steel in the first ten months to Hong Kong and some Southeast Asian nations.

Shougang, meanwhile, has provided technical renovation services for several iron and steel companies in Indonesia, India and Zimbabwe.

So far, the number of overseas projects undertaken by Shougang has reached 23, involving 80 million U.S. dollars in investment.

GAMECO To Build More Avionics Repair Facilities

OW0112031594 Beijing XINHUA in English 0236 GMT 1 Dec 94

[FBIS Transcribed Text] Guangzhou, December 1 (XINHUA)—The Guangzhou Aircraft Maintenance Engineering Company (GAMECO) plans to spend more than 120 million yuan setting up more repair bases so as to meet the demands of the rapid growth in China's aviation industry.

GAMECO, a joint-venture aircraft maintenance and repair company based at Guangzhou's Baiyun International Airport, will build two major maintenance facilities. One will have an area of 9,000 sq m and will be established by 1997, and the other will have an area of 22,000 sq m and will be completed by 1999.

GAMECO was set up 20 years ago by China Southern Airlines of the China-Guangzhou Regional Civil Aviation Bureau, Hutchison Whampoa China Trade Holdings Ltd of Hong Kong and the Lockheed Aircraft Service Company of the United States.

According to Ling Yideng, president of GAMECO, the company has 1,200 highly skilled employees. The bulk of its growth comes from its major customer, China Southern Airlines.

"With only 1,400 sq m, the old base was too small to meet the demand, and GAMECO is keen to develop itself into a leading company in the field," Ling said.

In addition, GAMECO will target the growing number of jetliners at some other airports in China.

Nation's Largest Aircraft Spares Center Opens

OW0112141094 Beijing XINHUA in English 1333 GMT 1 Dec 94

[FBIS Transcribed Text] Beijing, December 1 (XINHUA)—China's largest aircraft spares and service center was officially opened here today at Beijing international airport.

More than 200 representatives from Chinese and foreign civil aviation circles attended the opening ceremonies of the center, which has been jointly established by China Aviation Supplies Corporation (CASC) and the United States' Boeing Company.

Sources from the CASC said that the new center has a spares storage area of about 4,500 sq m, is fully computerized and provides round-the-clock service. At present, it stores over 15,000 types of common aircraft parts, valued at more than 30 million U.S. dollars.

The sources said that the center has been built as a sort of Beijing Boeing spares supply warehouse. The facilities will largely shorten both the re-supply distance for spare

parts and the delivery time, so as to help ensure the safety and punctuality of flights and to lower operation costs.

The Civil Aviation Administration of China (CAAC) established its business relations with the Boeing Company as early as the 1970s when CAAC bought 10 Boeing-707 planes. At present, China has more than 200 Boeing planes of various types.

With the expansion of the Boeing fleet in China, high-quality after-sale service is increasingly being demanded as a necessity. The new center has been established to answer these needs.

The sources said that the spares center will try to expand its service scope, to the extent of including personnel training, repair work, and providing services for neighboring countries.

Top Car Maker Seeks Overseas Listing

HK0212055394 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 2 Dec 94 p 12

[By Renee Lai]

[FBIS Transcribed Text] China has allowed its largest car-maker to seek an overseas listing, because the Ministry of Machinery Industry wants to float more cash-strapped state-owned enterprises to raise funds. However, the ministry will also make use of joint ventures and investment funds to satisfy the funding needs of enterprises under its control.

Xing Yujiu, director of the ministry's policy regulation and structure reform bureau, said Changchun's First Automobile Group Corp had secured an approval for issuing shares abroad, hoping to raise about US\$500 million.

The company has yet to decide where it will be listed, but Mr Xing ruled out Singapore, which was more appropriate for light industry companies, saying that the company would opt for an international capital market with wider participation of institutional investors. It is expected that First Automobile, known for its Liberation trucks, will raise money to fund expansion of its production capacity for passenger cars in a bid to meet China's expected booming demand as living standards improve.

The company is making Audi sedans and will also produce Jieda and Golf sedans through a joint venture with Germany's Volkswagen which will be completed in 1996. "First Automobile will become a car-maker with production capacity of more than one million vehicles," which would enable it to compete with foreign factories, said Mr Xing.

The ministry already has three candidates among the second batch of 22 state-owned enterprises slated for overseas listing: Harbin Power Equipment, Dongfeng Motor Corp (formerly No.2 Automotive Corp) and

Northeast Electric Transmission and Transformation Equipment. Meanwhile, Mr Xing said Beida Fangzheng, a computer software firm under the control of Beijing University, would also be floated overseas.

Mr Xing said First Automobile would go public after Dongfeng and Northeast Electric, which both planned H-share issues in Hong Kong in the middle of next year. Dongfeng would raise US\$400 million to US\$500 million. He said the ministry would not allow more H-share issues before the four candidates, even though many enterprises had requested a listing, but "only four are not enough, so we will discuss the issue with the government". He said the ministry was considering floating the enterprises on the B-share markets in Shenzhen and Shanghai.

The choice of listing candidates underscores the ministry's emphasis on four industries: vehicles, power equipment, basic machineries and basic components. Although the machinery manufacturing industry appears to be hard-hit by China's austerity programme which has curbed fixed investment, Mr Xing said the policy would not delay listing plans. He said the nagging problem of triangular debts would be resolved by accounting arrangements, which meant enterprises would write off certain assets and the government would not inject any money into them. "We cannot guarantee that every enterprise is good," said Mr Xing, because the machinery industry was very competitive now that it was operating in accordance with principles of a market economy. He said the ministry was discussing the formation of investment funds with foreign investors, but it was difficult because the investors were asking for a return of 25 to 30 per cent. "The average return of our machinery factories is five per cent. The better ones may only have 10 per cent."

China's Electricity Demand To Remain Strong

OW0212044094 Beijing XINHUA in English 0303
GMT 2 Dec 94

[FBIS Transcribed Text] Beijing, December 2 (XINHUA)—Electricity demand in China will remain strong in 1995, but supply will keep pace with rising demand, according to today's "ECONOMIC INFORMATION."

The paper said that China's electricity production is expected to reach 920 billion kwh in 1994, up ten percent from 1993.

It also predicted that such production will rise nine percent in 1995 to 1,000 billion kwh, nearly balancing demand and supply.

It said that a big increase in investment in fixed assets throughout the country in 1994 is a major factor that will keep electricity demand strong next year.

"Another factor is that with a steady increase in the per-capita income there will be a big rise in electricity consumed by both urban and rural residents," the paper explained.

For example, air-conditioners and other high-energy consuming electrical appliances are becoming increasingly popular nationwide.

Still another factor is that electricity demand from the country's farming and service sectors will continue to grow substantially, it added.

China's electricity production rose by 56.2 billion kwh in 1991, 76.7 billion kwh in 1992 and 82.2 billion kwh in 1993, the paper said.

Production is projected to increase by 80 billion kwh in both 1994 and 1995, it said.

Paper on Promoting Oil Pipeline Transportation

OW0212064894 Beijing XINHUA in English 0600
GMT 2 Dec 94

[FBIS Transcribed Text] Beijing, December 2 (XINHUA)—China has laid 16,000 kilometers of crude oil and natural gas pipelines since the beginning of the 1970s, according to today's "ECONOMIC DAILY."

The paper said that about 90 percent of crude oil in China is now carried through the pipelines.

The pipelines are concentrated in northeast China, north China, central China, east China and southwest China, it said.

A 2,000-kilometer pipeline links Beijing with Daqing in Heilongjiang Province, the largest oilfield in China. Another pipeline carries refined oil from Golmud in northwest China's Qinghai Province to Lhasa, the capital of Tibet.

Conference Reports Increase in Pork Production

OW0212064994 Beijing XINHUA in English 0523
GMT 2 Dec 94

[FBIS Transcribed Text] Chengdu, December 2 (XINHUA)—China has scored a big increase in pork production this year as a result of farmers' greater enthusiasm for breeding pigs, according to a national conference now in session here.

China's pork production came to 20.4 million tons during the first nine months of 1994, up 11.6 percent from the same period in 1993, according to a bulletin issued during the conference, which is sponsored by the Ministry of Agriculture.

During that period, pork production rose sharply in the major agricultural provinces of Sichuan, Shandong, Jiangsu, Jiangxi, Hunan and Hubei, a delegate attending the conference said.

For instance, pork production in Sichuan, the largest pig-breeding area in China, shot up eight percent during the January-September period of this year to 2.88 million tons.

China's red meat (pork, beef and mutton) production climbed 17.5 percent in the first three quarters of this year, to 27.4 million tons, the delegate said.

He added that production of such meat is expected to rise 9.3 percent for the whole of 1994 to 42 million tons.

"This means that each Chinese will consume 35 kg of meat on average this year, higher than the world's average," he said.

The pork market all over the country is brisk, with supplies growing eight percent, he said.

Jia Youling, a senior official at the agriculture ministry, said that the increase in pork production this year is due largely to the decontrol of pork prices and reform of the pork circulation system.

"These reform measures have greatly aroused farmers' enthusiasm for breeding pigs," he pointed out.

Measures Taken To Stabilize Grain Prices

HK0212045894 Beijing ZHONGGUO XINWEN SHE
in English 1257 GMT 1 Dec 94

[FBIS Transcribed Text] Beijing, December 1 (CNS)—China recently has three new measures in place in order to stabilize grain price. It has also decided to cease export of rice and corn immediately, reduce export volume of peanuts, so as to enrich grain and edible oil resources [sentence as received].

The three new measures are: First, the work of purchasing for grain and edible oil should be well handled. The state's order plan and purchasing goal from the market should be both fulfilled. The state-owned grain administrations must control 70 percent to 80 percent of social commodity grain and edible oil resources. If there is a rise of grain price, the price should be subsidized by local public finance and will not be allowed to be listed into costs and then to be shared out by enterprises and

consumers. A guiding price for grain traded in the market should be set by local governments.

Second, prices of grain and edible oil in major cities should be stabilized first and foremost. Prices for rice and corn will be marked for sales in 35 major cities and they should be maintained. The State Grain Reserves Bureau will continue setting aside part of special grain reserves for sale, this part of grain is not allowed to be resold at a higher price.

Third, grain import will be increased and export be controlled. Export of rice and corn is stopped immediately and export of peanuts will be reduced to some extent. The Ministry of Internal Trade and the State Grain Reserves Bureau are to distribute imported grain to grain shortage areas according to the plan, and to sell these grain at regulated price, but resale is prohibited.

Corn Shortage Affects Feed Producers

HK0212054994 Beijing CEI Database in English
1 Dec 94

[FBIS Transcribed Text] Guangzhou (CEIS)—The shortage of corn supply has landed the feed producers in south China's Guangdong Province in difficulties.

As a result, corn price rose 25 percent to 1,620 yuan per ton in mid-November, from 1,300 yuan at the end of October, and it is still rising.

So far, some feed processing enterprises have stopped production.

Market sources said that some of the country's corn production bases, in order to guarantee corn export and local supply, have restricted the transportation of corn to other parts of the country.

Guangdong Province has asked for help from corn production bases and will give preferential policies to them. Meanwhile the province has applied for corn import quota from related departments.

East Region

Lu Rongjing Addresses Anhui Land-Use Meeting *OW0112131694 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 25 Nov 94*

[From the "Provincial Hookup" program]

[FBIS Translated Text] A provincial meeting on reform of the land-use system was held in Hefei 22-23 November. The meeting urged that we should strengthen leadership, deepen reform, and improve Anhui's land administration work to a higher level.

Attending the meeting were provincial party and government leaders Lu Rongjing, Meng Fulin, Fang Zhaoxiang, Wang Zhaoxiao, and Wang Sheyun, as well as Ma Kewei, deputy director of the State Land Administration Bureau. Lu Rongjing, secretary of the provincial party committee, made an important speech at the meeting. He said: Land is the most basic material foundation on which mankind relies to survive and develop. Improving land administration, greatly cherishing and rationally utilizing every inch of land, and earnestly protecting cultivated land is one of China's basic national policies. Properly protecting and developing existing land has special significance for Anhui which is a major agricultural province with a large population but a limited supply of land, and whose per capita acreage of cultivated land is lower than the national per capita level.

Lu Rongjing pointed out: Land administration departments at various levels and the broad masses of land administration personnel should make greater efforts, take effective measures, continually deepen reform of the land-use system, expand the scope of land use with compensation, accelerate the development of a socialist land market system, and later further its improvement. While carrying out reform, we must always properly handle the relations between economic progress and protection of cultivated land, relations between reform of the land-use system and reform of land administration, and the relations between developing the land market and strengthening macroeconomic regulation and control. We must specify that land is an important resource and asset of the state, that it must be under the government's monopoly according to law, and that it must be placed under centralized administration. It is land-use right, not land ownership, that enters and circulates in the market as a commercial commodity.

Lu Rongjing urged: Land administration departments at various levels and the broad masses of land administration personnel should further improve land administration organizations and develop their personnel. They should pay special attention to developing land administration organizations below the county level so that organizations and personnel performing land administration work at the front can be expanded and strengthened.

Lu Rongjing stressed: Proceeding from the overall consideration of developing a socialist market economy and shouldering responsibilities toward contemporary and future generations, party committees and governments at various levels should earnestly strengthen and improve leadership over tasks on land administration and reform of the land-use system; should give equal priorities to the basic national policies on land, population, and environment; should make corresponding coordination and arrangements in this regard; should earnestly study major issues on land administration and reform of the land-use system; and should initiate and coordinate efforts to resolve various problems.

Fang Zhaoxiang, deputy secretary of the provincial party committee, presided over the meeting; and Governor Fu Xishou delivered a written speech at the meeting.

Vice Governor Wang Zhaoxiao gave a summarized report. He urged: Various localities should strictly strengthen administration over land for construction purposes; regulate land-use activities; report and obtain, strictly according to law, prior approval on nonagricultural land for construction purposes; and resolutely stop all violations, including illegally subdividing land into small portions and granting unauthorized land-use approval. We cannot delegate powers to grant land-use approval to lower-level land administration organs; and those powers already granted to lower-level organs must be immediately revoked according to law. We should conduct another screening of the land-use situation in various development zones and mini-industrial zones. We should not allow the land to remain idle and instruct culprits who are illegitimately occupying agricultural land to return the land within a stipulated time to peasants who will cultivate it. We must deal, strictly according to plans, with violations involving construction projects that illegitimately occupy cultivated land. Relevant land administration departments shall organize personnel and implement land-use plans. They should expeditiously establish zones to protect basic farmland, and earnestly safeguard bases producing marketable grain; cotton; and famous, special, and quality products as well as suburban vegetable-producing bases. Additionally, they should properly develop reserve land resources; reclaim wasteland into farmland; and make concerted efforts for a certain period of time, striving to attain a floating equilibrium of the land-use system whereby Anhui can maintain a relatively stable acreage of cultivated land.

Also attending the meeting were leaders in charge of land administration work in various prefectures, cities, counties, and districts; and responsible figures from land administration departments, offices of the economic restructuring commission, and various relevant departments under the provincial party committee and government.

Lu Rongjing on Anhui's Enterprise Reform*OW0212125894 Hefei ANHUI RIBAO in Chinese 22 Nov 94 p 1*

[Report by unidentified reporters from the provincial radio station and ANHUI RIBAO: "Tackle the Thorny Problem of Deepening Enterprise Reform"]

[FBIS Translated Text] The Anhui Provincial People's Government held a provincial meeting on deepening enterprise reform and experimenting with establishing a modern enterprise system in Hefei 19-20 November. Provincial leaders Lu Rongjing, Wang Yang, Wu Changqi, Wang Xiuzhi, Long Nian, and others attended the meeting. Lu Rongjing, Wang Yang, and Wang Xiuzhi also addressed the meeting.

The meeting relayed the guidelines of the national conference on experimenting with establishing a modern enterprise system and studied and made plans for deepening enterprise reform and experimenting with establishing a modern enterprise system in our province in the near future. Attending the meeting were over 350 people comprising commissioners and mayors of prefectures and cities as well as responsible comrades from departments directly under the provincial authorities, 32 experimental state-and provincial-level enterprises in our province, and three listed companies.

Lu Rongjing, secretary of the provincial party committee, delivered an important speech. He said: This year, Zhejiang has enjoyed sustained and rapid economic development, and its large-and medium-sized state-owned enterprises have operated well as more macroeconomic reform measures of greater intensity have been promulgated. We attribute this success mainly to the guidance of Comrade Xiaoping's theory on building socialism with Chinese characteristics, and to reform, particularly that of state-owned enterprises. To maintain and develop the existing good situation, we have to deepen reform. In accordance with the guidelines of the "Decision" of the Third Plenary Session of the 14th CPC Central Committee, we must make innovations in the enterprise system and set up a modern enterprise system, and strive to bring about new changes and breakthroughs in ideas, ways, and methods for enterprise reform. Urging leaders at all levels to treat innovation in the enterprise system, and comprehensive and complementary reform measures, as major political issues, Lu Rongjing called on them to heighten their sense of crisis and urgency, and be mentally prepared to fight protracted and hard battles.

In his speech, Lu Rongjing also pointed out: To establish a modern enterprise system, we should understand the focus and direction of enterprise reform, and when transforming enterprises' operating mechanisms and setting up a new system, we should fulfill the requirements for "clearly defined property rights as well as the rights and responsibilities of enterprises, the separation of government administration and enterprise management,

and the establishment of scientific management." First, we should unequivocally state that public ownership, and not privatization, is the main part of a modern enterprise system in order to make state-owned enterprises more vigorous and efficient. Second, we should define the modern enterprise system as a complete and standardized enterprise system, and bring reform and production-related operations and management onto the legal track. Third, we should unequivocally state that the establishment of a modern enterprise system is a complicated and systematic project whose accomplishment must be accompanied simultaneously by complementary reform measures.

Last, Lu Rongjing said emphatically: We must effectively handle relations between various reform-related tasks while deepening enterprise reform. We should continue to implement measures for reforming the macroeconomic system; strive to improve the quality of our province's economic operations by switching from speed-oriented to quality-oriented; combine the reforms of systems and organizations with enterprise upgrading; further transform government functions, and strengthen macroeconomic regulation and control as well as indirect economic management; and further strengthen party building, and ideological and political work to ensure the correct direction of reform.

In his speech, Wang Yang, provincial party committee standing committee member and vice governor, said: Logically speaking, the strategic policy decision of establishing a modern enterprise system and of improving state-owned enterprises, particularly large and medium ones, is required in reform and development. The history of enterprise reform, the interdependent and mutually complementary relations between macroeconomic and microeconomic reforms, and our province's practical experiences in conducting enterprise reform in the past few years have all shown that the establishment of a modern enterprise system and faster enterprise reform are not only necessary but also practically viable. All localities should actively push forward their experimentation through establishing a modern enterprise system, but they should refrain from rushing headlong into mass action and making hasty moves. For most enterprises, such fundamental tasks as reappraising stocks and assets, transforming mechanisms, and strengthening internal administration are required presently.

Wang Yang said emphatically: We cannot achieve the ultimate goal of enterprise reform without complementary reform measures. Among these measures, the social security system is more directly relevant to the deepening of enterprise reform.

Wang Yang said: Reforms that are more pertinent to the production sector tend to be more problematic and difficult to carry out. Their implementation therefore requires greater courage. He hoped the 32 experimental enterprises would boldly experiment with things and make pioneering attempts, so as to gain successful experiences in deepening enterprise reform in our province.

Acting on behalf of the provincial government at the meeting, Vice Governor Wang Xiuzhi made arrangements for deepening enterprise reform and experimenting with establishing a modern enterprise system. He asked all localities, departments, and experimental enterprises to focus on formulating programs to carry out the experimentation. While tackling the experiment and striving for key breakthroughs, they should also focus on other reform measures and continue to implement the "Enterprise Law," "Regulations on Transforming Operating Mechanisms," and "Regulations on Supervision and Management." Departments directly under the provincial authorities should give their active cooperation and coordination to ensure the smooth progress of enterprise reform and experimentation in our province.

During the meeting, Vice Governor Wang Xiuzhi also called a discussion meeting with commissioners and mayors of prefectures and cities about the experiment. Also speaking at the meeting were responsible persons of the provincial economic and trade commission, provincial economic restructuring commission, provincial administration of state property, and provincial federation of trade unions.

Anhui's Development Zone Attracts Foreign Investors

OW0212015594 Beijing XINHUA in English 0140
GMT 2 Dec 94

[FBIS Transcribed Text] Beijing, December 2 (XINHUA)—The economic and technological development zone of Wuhu city, in east China's Anhui Province, has approved the establishment of a total of 101 foreign-funded projects, the EAST CHINA INFORMATION JOURNAL reported.

Contracts for these projects involve an investment of over 3.8 billion yuan, including 240 million U.S. dollars in foreign funds.

As a move to improve the investment environment, Wuhu city, on the lower reaches of the Chang Jiang river, has invested 205 million yuan in building basic facilities in the 3.86 sq km first-phase development project of the zone since it was approved by the State Council three years ago.

The basic facilities include roads, water supply, electricity, communication, and sewage disposal.

More than 70 percent of the foreign funded projects from over a dozen countries, including the United States, Canada, Germany, Italy, Belgium, Japan, the Republic of Korea, France, Hong Kong, and Taiwan, are engaged in electronics, automobile production, petrochemicals, machine building and garment industries.

Jiangsu Secretary on Opening Market

OW0212125794 Nanjing XINHUA RIBAO in Chinese
20 Nov 94 p 1

[Unattributed report: "Implement Overall Strategy for Opening Up to the Outside World, Internationalize and Modernize Jiangsu's Economy With Redoubled Efforts"]

[FBIS Translated Excerpt] The two-day provincial work conference on opening up to the outside world ended in Nanjing yesterday. Chen Huanyou, secretary of the provincial CPC committee, made an important speech at the meeting. He stressed that it is necessary to carefully work out and implement an overall strategy for opening up to the outside world, develop an open economy in a faster and better way, and internationalize and modernize Jiangsu's economy through redoubled efforts. [passage omitted]

Chen Huanyou said: Since 1985, the province has convened a provincial work conference on opening up to the outside world every year to review work, exchange experience, discuss problems, and make arrangements. By addressing a new issue and designating a priority every year, the conference has played an essential role in advancing opening up in our province. [passage omitted]

Chen Huanyou pointed out: The policy of reform and opening up to the outside world represents the only way to accelerate Jiangsu's economic and social development. Since the Third Plenary Session of the 11th CPC Central Committee, Jiangsu has made tremendous progress in economic and social development. The province has made great strides in terms of overall economic size and strength, social services, and living standards. Jiangsu's experience over these years demonstrates that the policy of reform and opening up has served as a strong driving force for economic and social development. [passage omitted]

Chen Huanyou stressed: Opening up wider to the outside world and developing an open economy require large numbers of people with a wide range of high-level skills. We must waste no time in bringing up a contingent of talents to meet the needs of an open economy. We must step up on-the-job training, boldly utilize our talent pool, and bring up personnel with knowledge in the international market, economic and trade activities, management, and foreign languages. [passage omitted]

Cao Keming, deputy secretary of the provincial CPC Committee, presided over the meeting. Other leading comrades including Hu Fuming, Gu Hua, Xu Zhonglin, Ji Yunshi, Yu Xingde, Wang Xialin, Yang Xiaotang, Jiang Yongrong, and Duan Xushen were present.

Jiangxi's Nanchang Seeks Investment

HK0212055594 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST) in English 2 Nov
94 p 5

[By Elaine Chan in Nanchang]

[FBIS Transcribed Text] Attracting more foreign investment is essential for the economic development of Nanchang says the city's mayor Hong Dacheng. "Hope for Nanchang is built on economic reforms," Mr Hong said. In evaluating the second session of the three-day Business and Investment Negotiations held in this city in the inland province of Jiangxi this week, Mr Hong said results were better than expected. He said there was an increase in the amount of investment in various projects, including light industries, educational research and agriculture.

Total investment for 99 contracts and 128 agreements signed was US\$471 million. About 72 percent came from foreign investors in the United States, Japan, Germany, Thailand, Hong Kong, Singapore and Taiwan. While the majority were joint ventures, there were 15 independent foreign investors with sole ownership. Primary and tertiary industries took up five per cent and 26 percent respectively of the projects signed with secondary industries making up 69 percent. The deputy mayor in charge of foreign trade and investments, Xiong Jiuling, said more interest was shown in agricultural and tertiary industries projects by foreign investors compared to the first session held in 1992. There were more property development projects the last time, 33, which made up one-third of the total number of projects. "But there are only nine projects this time," he said. "In contrast, there were fewer primary industry projects before. But there had been quite a number this year."

Mr Xiong said the decrease of property development projects was due to austerity measures introduced by the government. He said the measures had affected the city's development as credit had been tightened. Officials said that foreign investors' interests in primary and light industries reflected the change in Nanchang's investment environment since 1992. Mr Xiong said Nanchang had maintained two-digit growth rates in the past few years. Official figures show that the city's production this year jumped 15.1 percent compared to the same period last year.

Shanghai Trains More Professionals, Skilled Laborers

OW0212140594 Beijing XINHUA in English 1346
GMT 2 Dec 94

[FBIS Transcribed Text] Shanghai, December 2 (XINHUA)—Shanghai, China's largest economic center, is focusing on training more professionals and skilled people for its fast-growing economy.

The city has just opened a personnel training center, which is part of the municipal government's reform of the educational system.

To meet market demand, the center has focused on training more personnel in management, construction, foreign economic relations, trade, finance, rural

economy, furthering education in Pudong, foreign law, tourism, morale, and the attitude of government officials.

Upon graduation, the trainees will have to pass an examination to acquire credentials and certification from the municipal government to indicate their standing.

The center was established by departments of the municipal government based on a comprehensive survey of the present situation and possible future demands in the skilled labor market.

Local universities and colleges are required to provide the bulk of the faculty members and facilities for this education project.

Shanghai To Publicize Quality of Consumer Goods

OW0212154594 Beijing XINHUA in English 1503
GMT 2 Dec 94

[FBIS Transcribed Text] Beijing, December 2 (XINHUA)—To improve the quality of products, eastern China's commercial hub, Shanghai, has adopted a system of publicizing information on quality.

The move is aimed at enhancing public awareness and supervision of the quality of consumer goods by publishing data on the quality of products on market shelves provided by the municipal technical inspection departments.

The publication will appear bimonthly in "Shanghai Quality", and will include descriptions of the quality of consumer goods local residents are most concerned about.

The first list of products has 145 consumer goods, including items such as beer, powdered milk, mineral water, and electronic devices.

Some 53 of the goods inspected were reported as not being able to meet accepted standards, according to the journal.

Shanghai Officials on Developing Education

OW0112130494 Beijing XINHUA Domestic Service in Chinese 0451 GMT 25 Nov 94

[By RENMIN RIBAO reporter Wei Yufeng (7614 3768 7685) and XINHUA reporter Yin Hongzhu (1438 7703 4376)]

[FBIS Translated Text] Shanghai, 25 Nov (XINHUA)—As part of the overall development strategy to turn Shanghai into a first-class modern international metropolis in the coming dozen years or so, the Shanghai Municipal Party Committee and the municipal government have recently reintroduced their major strategic

policy on accelerating building up a world-class education system capable of training large numbers of qualified personnel.

Granting an interview to reporters Chen Zhili and Xie Lijuan, respectively, who are on tour covering education in China, Shanghai's Municipal Party Committee deputy secretary and vice mayor, said: By 2010, Shanghai will basically become an international economic, financial, and trade center with Pudong turning itself into a world-class modern district. Reliance on both science and technology and qualified personnel will be one of the basic ways of achieving this magnificent goal. Today's education will be yield returns a decade later; this is our basic point when putting forth our view that "the construction of a first-class city must be heralded by the building of first-class education." Hence, we are determined to try all possible means to accelerate educational development to train large numbers of internationally qualified personnel with combined talents at different levels.

It has been learned that the Shanghai Municipal Party Committee and the municipal government have sped up investment in education to achieve the set overall educational development goals for the 1990's. Other than allocating over 12 percent of the municipal budget for educational expenses by the end of the century, funds of between 3 and 5 billion yuan will be raised in the next five years to implement the "eight major projects," which include backing about 10 colleges under ministries, commissions, and the municipality in launching "Project 211," speeding up the training, nurturing of personnel in acute shortage, and young and middle-aged backbone teachers; establishing a host of key college subjects, courses, and laboratories; setting up demonstrative middle and elementary schools as well as sample schools for vocational education; updating and transforming a score of weak middle and elementary schools; unfolding science and technology education for the young; and carrying out the teachers' "housing project."

Reform is the only path leading to the establishment of a first-class educational system. Following its basic popularization of nine-year compulsory education, Shanghai will further delegate its school-running power to districts, counties, and the schools themselves. Enterprises run by middle and elementary schools will be centrally managed by districts and counties, while teachers' welfare and salaries will be commensurate with teaching quality. To build up a host of educators, the administrative series for school principals will be replaced by a duty series on a trial basis. In recent years, Shanghai has succeeded in reorganizing 50 colleges into 45 and in setting up 42 key subjects. While eight colleges under ministries, commissions, and the municipality have started enrolling their own students, four colleges under ministries and commissions have been built in cooperation Shanghai Municipality, with over 10 second-class colleges being run in cooperation with foreigners. Shanghai Municipality will speed up reform in these

respects, introducing such structural reform as a credit system, graduates selecting their own jobs in the job market, and exploring the possibility of privatizing public-run colleges. Additionally, Shanghai will rationally develop higher vocational education and establish a complete vocational, whole-life educational system as soon as possible.

These reporters came to understand that, to effectively implement the guidelines of the education work conference on both the national and municipal levels, the Shanghai Municipal Party Committee has designated "doing a good job in education" as one of the important elements in evaluating cadres' official work performance, with such criteria already being applied to cadre evaluation at the commission, office, bureau, district, and county levels.

Shanghai To Establish Modern Enterprise System

OW0112132694 Beijing XINHUA in English 0800
GMT 1 Dec 94

[FBIS Transcribed Text] Shanghai, December 1 (XINHUA)—Shanghai, China's biggest industrial city, is pinning great hopes on the current experiment of establishing a modern enterprise system in state enterprises in a bid to bring big changes in the municipality's economy.

The establishment of a modern enterprise system in China lies in finding a method in which public ownership is organically integrated with the market economy, and in finding an enterprise organizations system in which the state-owned economy is efficient under the conditions of the market economy.

Chinese policymakers hope that the experiment in Shanghai will provide successful experience for the whole country.

A committee has been set up, headed by Huang Ju, mayor of the city, to oversee the experiment.

The municipal government has worked out plans for carrying out the experiment step by step.

A group of enterprises have been chosen to take part in the experiment. They are mainly in the fields of automobiles, electricity, pharmaceuticals, radio and catering.

Some of them are operating and make good profits, and some are losing money. More than 200 industrial enterprises have applied to take part in the experiment.

The experiment will focus on reform of the system, joint stock, corporate system, reorganization of property rights and strengthening management, in line with general international principles.

Experiments on authorized right of management of state property are now under way in the Shanghai Textiles Bureau, and the municipal instruments and meters bureau.

At the same time, the city is expected to set up a social security system involving pensions, and unemployment and medical care insurance within this year, and step up construction of production materials, personnel and financial markets in order to pave the way for the establishment of a modern enterprise system.

The Shanghai Municipal Government has held training courses for officials to let them have a better understanding of the importance of establishing the modern enterprise system.

Addressing an international symposium on the modern enterprise system in July this year, Chinese State Councillor Li Tieying said efforts should be made to establish the basic framework of a modern enterprise system, this includes perfecting the corporate system, defining the main body of capital investment, setting up internal scientific and standardized organizational management in enterprises, reforming the personnel and wage systems and perfecting accounting systems.

Attention will be paid to establishing an effective system of economic management and management of state-owned properties, as well as speeding up the pace of establishing a market system and a social insurance system, thus paving the way for the establishment of a modern enterprise system, said Li.

Shanghai Lifts Container Handling Capacity

OW0212043994 Beijing XINHUA in English 0236
GMT 2 Dec 94

[FBIS Transcribed Text] Shanghai, December 2 (XINHUA)—Shanghai, which has the largest container turnover in China, has set up a comprehensive service system related to containers.

In November the port's container handling capacity surpassed one million units for the first time in China.

Thanks to the rising turnover, the container storage business has developed rapidly. The Dong Hua Container Transportation Service Corp., a joint venture between Shanghai and Hong Kong set up in 1984, has built two dry goods container yards and a frozen goods container yard, which cover a total of some 100,000 sq m and can house 11,000 standard containers.

Now there are 41 container yards and transfer stations in Shanghai, covering 1.2 million sq m and with a handling capacity of 1.2 million standard containers.

The establishment of a number of foreign-funded enterprises has conspicuously strengthened the port's handling capability. The Land-Ocean Inchope Container Transport Co., Ltd, a Sino-British joint venture set up seven years ago, now has 80 container vehicles and an annual handling capacity of more than 70,000 containers.

Shanghai Said Building Automobile Industry Park

OW0212113094 Beijing XINHUA in English 1113
GMT 2 Dec 94

[FBIS Transcribed Text] Beijing, December 2 (XINHUA)—Shanghai is building an automobile industry

park which will cover 1.39 sq km and have a population of up to 200,000, the "EAST CHINA INFORMATION JOURNAL" reported today.

At present, a six-story building with a floor space of 6,300 sq m is being erected in anting, 30 km west of downtown Shanghai. Upon completion, the building will exhibit automobile models and serve as a place for trade talks.

Also under construction are an open-air display area and a plant to produce automobile air-conditioners.

Several maintenance centers have already opened in the town providing services for Audi and Jetta sedan cars, both produced by Sino-foreign joint ventures.

The newspaper said that the park is scheduled to house a container bonded zone, a parts manufacturing center, a trade zone, a repair center for imported cars and accommodation facilities.

To boost the involvement of private enterprise in the automobile market, a private economy development zone will be set up in the park.

Since its establishment a year ago, over 200 million yuan has flown into the park, and a company under the Baoshan Iron and Steel Group has even moved its headquarters into the park.

Zhejiang's Li Zemin on Rural Development Program

OW0212043894 Beijing XINHUA in English 0223
GMT 2 Dec 94

[FBIS Transcribed Text] Hangzhou, December 2 (XINHUA)—East China's Zhejiang Province will build 100 modern rural towns and develop many of the present 900 rural towns into small-and medium-sized cities in the remainder of this century.

This is one of the goals the booming coastal province has mapped out to bring economic prosperity and social stability to its rural areas.

According to Li Zemin, secretary of the provincial committee of the Communist Party of China, the 100 modern towns will feature sound infrastructure, rational industrial make-up and ideal distribution of population.

The measures are designed to lead the campaign to achieve an economic take-off in rural Zhejiang, Li said.

In the remaining six years of the century, Zhejiang will also build ten large water-control projects in a bid to more effectively tackle typhoons, floods and other natural disasters that the province is vulnerable to.

Li said that Zhejiang will give priority to the establishment of a rural operating mechanism that well suits the country's market economy drive.

Starting next year, Zhejiang will earmark ten million yuan a year to support 100 rural markets, a move expected to give a major boost to the province's key rural enterprises.

"Farmers are encouraged to enter the market in a well organized manner," the secretary said.

He said that economies of scale should be pursued in grain-growing areas, so as to ensure good and stable harvests.

The share-holding system will be introduced into the province's hundreds of thousands of rural and township enterprises to make them technically better-equipped and better managed.

Li said that Zhejiang will strive to make its rural people among the first Chinese farmers to live a fairly comfortable life.

Forecasts by provincial departments in charge show that the province's agricultural revenue will exceed 340 billion yuan (about 39 billion U.S. dollars) this year, an increase of 35 percent over last year's figure.

This year, total output from rural and township enterprises will top 400 billion yuan, up 60 percent from a year ago.

Meanwhile, the per capita net income of farmers is expected to see a record growth this year to more than 2,250 yuan.

Central-South Region

Guangdong To Expand International Market

OW0112172494 Beijing XINHUA in English 1440
GMT 1 Dec 94

[FBIS Transcribed Text] Guangzhou, December 1 (XINHUA)—South China's Guangdong Province will allow its overseas business organizations to issue stocks and bonds and to list them on securities markets and exchanges abroad.

This is one of the measures Guangdong is taking to allow the world greater access to its bustling economy, government officials said.

While holding fast to the Hong Kong and Macao market, Guangdong enterprises will venture as far as west Europe, North America, Southeast Asia, and Japan, as well as the Mideast, South America, the Commonwealth of Independent States, and Africa.

The province decided to expand its overseas market because it found that, along with the export of commodities, there is huge potential in international business in the fields of labor, real estate, tourism, technology, information, and finance.

It will streamline its overseas enterprises into regional core firms, and turn domestic business concerns into

competitive multinationals operating in line with international practice by the year 2020.

A commercial finance organization will be set up to help Guangdong tap overseas financial markets and to promote foreign trade and the development of science and technology.

A tourism group will be created to broaden China's and the foreign tourism market.

With the cooperation of Hong Kong, a multinational corporation will take shape to handle the business of labor, personnel, and technology.

To provide a favorable climate for these groups, Guangdong will set up special investment foundations and offer loans with low interest rates.

At the same time, it will build export production bases and scientific and industrial parks, and produce high-quality goods for overseas markets.

All the products exported from Guangdong will be labeled "made in Guangdong" so as to build a positive image for those items worldwide, according to the official sources.

The provincial government will have awards for those export goods whose volume reaches more than 10 million U.S. dollars, as a means of strengthening their competitiveness.

Steady Increase in Guangdong Farmers' Income Noted

OW0212015694 Beijing XINHUA in English 0136
GMT 2 Dec 94

[FBIS Transcribed Text] Guangzhou, December 2 (XINHUA)—Thanks to modernization, the income of farmers in south China's Guangdong Province has been steadily increasing, even while the population engaged in farming is declining.

According to statistics, agricultural output accounted for 34 percent of the total rural output in the province in 1993, as compared with 67.9 percent in 1980.

During the same period, the population engaged in farming became only 59 percent, as against the earlier 89 percent, while per capita annual income rose to 1,675 yuan (197 U.S. dollars) from 274 yuan 13 years before. Farmers now are able to sell over 70 percent of their products at market.

Because of modernization, previously scattered agricultural production is now heading in the direction of large-scale operations. A large number of agricultural production bases have been set up, provincial officials said.

These bases have remarkably enhanced economic returns. In 1993, every 1000 hectares of land in the

province produced more than 13 million yuan, and per capita productivity amounted to 4,400 yuan.

In addition, the production bases earned a total of more than 300 million U.S. dollars by exporting their products.

In an attempt to develop a high-yield, high-quality, and high-efficiency agriculture, the province has introduced over 1,200 varieties of fine strains of plants during the past dozen years. At present, fine-quality grains account for some 60 percent of the total acreage of crops sown in the province.

The use of agro-techniques has also remarkably improved the production of livestock, aquatic products, and fruits, according to provincial authorities.

Number of Economic Crimes in Guangzhou Declining

HK0212053694 Beijing ZHONGGUO XINWEN SHE in English 1224 GMT 1 Dec 94

[FBIS Transcribed Text] Guangzhou, December 1 (CNS)—There were 168 serious economic cases concerning infringement on law and regulations solved in Guangzhou between last January and September, 38 percent down over the same period last year. Fines resulting from such cases were, however, valued at RMB [renminbi] 28 million, 46 percent up over the same period last year, hitting a record in recent years.

These economic cases committed in the first nine months of this year can be summed up in several points. First, cases involving a great value tended to go upwards. There were 14 cases each put at a value between RMB 100,000 and 300,000 and four cases each between RMB 300,000 and one million, registering a 100 percent gain over the same period last year. There were three unprecedented cases each valued at over RMB 1 million. These cases covered imported spirits, Western medicine, steel material and small automobiles.

Second, cases concerning production of counterfeit commodities and those of poor quality showed a sharp rise. There were 76 cases of this kind, making up 45 percent of serious cases during the first nine months this year, up from 37 percent registered during the same period last year. Offenders extended from individual business entities and collective enterprises to state owned enterprises.

Third, persons involved in economic cases were mainly from individual business entities and private enterprises. They accounted for 48 percent of the total 178 offenders found to have committed serious violation of economic regulations.

Economic offense mainly lay in speculation on real estate in Guangzhou in recent time and the trend tended to go upwards. Unscrupulous businessmen capitalized on loopholes shown by some leading government departments to profiteer by means of speculation on land in the name of joint or cooperative venture. Cheating practices

are so serious in the municipality's intermediary bodies in the real estate sector. Quite a lot of real estate consultation agencies placed deceptive advertisements or raised charges on intermediary service without authorization. Some of them changed their business pattern or went beyond their original business scope by being involved in real estate development.

Guangxi Region To Promote Sugar Production

OW0212112694 Beijing XINHUA in English 1103 GMT 2 Dec 94

[FBIS Transcribed Text] Beijing, December 2 (XINHUA)—A new series of measures will promote the development of sugar production in southwest China's Guangxi Zhuang Autonomous Region over the next few years, according to Thursday's [1 December] "MARKET DAILY".

They include steps to protect the interests of the sugarcane planters and to increase output.

Also, more channels of investment were suggested at a seminar on the development of the sugar production in the region.

According to a new blueprint revealed at the seminar, the region will produce three million tons of sugar by the end of this century. The total sugar-related output value is expected to reach 20 billion yuan by then.

Meanwhile, the region will be built as a center of trade, information, technology and talent in the sugar sector.

The experts at the seminar agreed that the region has every advantage for developing the sugar industry, noting that the existing sugarcane planting area is nearly 400,000 ha.

Besides, sugar markets at home and abroad are still booming, the experts said.

They admitted that the industry faces some problems in the region, namely, comparatively low returns, shortages of funds in the processing plants and the large amount of imported sugar.

The region is the largest sugar production base in China. In 1993 the sugar output in the region reached 2.26 million tons or 37 percent of the country's total.

The annual consumption of sugar in China has increased to seven million tons from 3.8 million tons in 1980.

Police Force Commander Inspects Hainan Corps

HK0212054794 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 28 Nov 94

[FBIS Translated Text] Lieutenant General Ba Zhongtan, commander of the Chinese People's Armed Police Force Headquarters, and his five-member entourage inspected the Hainan armed police corps 19-22 November. Ba Zhongtan fully affirmed the Hainan

police corps' achievements in strengthening their grassroots units and in defending the special economic zone's economic construction in the six years since its establishment. Ba Zhongtan held talks with the officers and men of the corps and asked about their training, studies, lives, and work.

He stressed: The armed police corps must strengthen itself so as to cope with the needs of the special economic zone's economic development. First, it must strengthen its political education and develop its fine tradition and selfless devotion; second, it must continue to exercise good management over its units; third, it must improve its combat awareness and ability to engage in combat under all circumstances; and fourth, it must strengthen the unity of its party committee members, fight corruption, advocate a clean administration, and strengthen party building.

Hubei Leader Presents Thesis on Rural Development

HK0212054594 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 27 Nov 94

[FBIS Translated Text] The two-day symposium on rural reform and development, which was initiated and sponsored by the provincial party committee and government, concluded in the provincial and city science and technology research institute yesterday afternoon. Attending the current symposium were a number of noted experts and scholars in theoretical circles in the province; some comrades in charge of the practical rural work of relevant prefectures, cities, counties, and towns; and some units directly under the provincial government.

Prior to the symposium, provincial party Secretary Guan Guangfu gave important instructions and submitted a thesis on strategic choice, entitled: Promoting Integration of Ecology, Science and Technology, and Efficiency; Recreating Agricultural Superiority. Also attending the symposium were Hui Liangyu, deputy secretary of the provincial party secretary; Zhang Huainian, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference; and the person in charge of the propaganda department of the provincial party committee. Together with other participants, they discussed in a concentrated way—both in theory and practice—the major issues concerning the province's rural reform and development, economic phenomena, and work decisionmaking behavior.

The party secretaries of Huangguang Prefecture and Wuxue City, and the head of Yingshan County gave concentrated briefings to the symposium on their experiences in building city and town clusters, and in developing agriculture in a broader sense in a big way, as well as their theoretical thoughts on the matters. The persons in charge of the Xiaogan City Agricultural Commission, the city's suburbs, and Zhaoyang City's Wushan Town briefed the symposium on the ways and understandings

of developing and improving the rural shareholding cooperative system. The principal leaders of [name indistinct] City, Xinzhou County, the provincial agricultural commission, and Wuchang County briefed the symposium on the issues of integration of ecology, science and technology, and efficiency—both in theory and practice—and on comprehensive economic development. Xia Jiankong, Liao Danqing, Chen Wenke, and other experts from the provincial and city science and technology research institutes made speeches of great inspiration.

While presiding over the symposium, Hui Liangyu delivered a speech centering on the three main topics of discussion at the symposium. He said: Building city and town clusters, developing agriculture in a broader sense in a big way, and promoting the integrated and coordinated development of agriculture and industry are immediate issues of rural reform and development, which is entering a new stage. They are a historical necessity, as well as an opportunity for putting an end to the longstanding separation of city and countryside. Leaders at all levels must deepen their understanding, make the best use of the situation, work out plans in line with local conditions, define policy measures, give specific guidance, and promote the healthy development of the undertakings mentioned above.

On the question of developing and improving the shareholding cooperative system, He Liangyu maintained that practicing the shareholding cooperative system is a second leap in rural reform, as well as an important part of the current reform of the town and township enterprise property rights system. All localities should further introduce the shareholding system in the exploitation and utilization of mountains, water, and other agricultural resources, and should carry out the system gradually in developing a diversified economy and building production bases of all types. Meanwhile, we also should notice that the rural shareholding cooperative system is a new thing, after all, which needs to be further developed and improved in practice.

The integration of ecology, science and technology, and efficiency in agriculture is a strategic measure for comprehensive development of the rural economy and for the enhancement of agriculture's capability for continued development. Hubei's current pilot projects in integrating ecology, science and technology, and efficiency in agriculture have been expanded to 20 counties and cities, with an area totalling 20 million mu or so, and have achieved marked economic, ecological, and social benefits. In developing ecological farming, close attention should be paid to integration the development of a high-output, high-efficiency, and high-quality agriculture; to a diversified economy, and town and township enterprises; to improvement of agricultural production conditions; and to construction of rural energy industry, and of cities and towns.

Hui Liangyu said: This year, Hubei's agriculture and rural economy have developed very rapidly, witnessing

increases in both quantity and quality. This year is one that has registered the best development of agriculture and the rural economy. With agricultural and the rural economy entering a new stage of development, they have brought about new opportunities and set higher demands on rural work, thus posing many new topics in the theoretical study of rural reform and development. It is my hope that workers engaged in the study of theory and policy will integrate closely with comrades in the practical work departments, and will better serve the province's rural reform and development.

Hubei's Wuhan Reforming Assets Management System

OW0212065994 Beijing XINHUA in English 0624 GMT 2 Dec 94

[FBIS Transcribed Text] Wuhan, December 2 (XINHUA)—The city committee for the administration of state assets in this largest industrial city in central China granted the use right of 169 million yuan-worth of state assets to a local construction corporation, according to an agreement signed Wednesday [1 December].

This was a significant move in the reform of the management system of state assets.

The newly-established Wuhan Construction Corporation Ltd. used to be a government body overseeing local construction firms. As such, it possessed both the managerial authority over and ownership of state property. This caused confusion about its real functions.

According to the agreement, the corporation will not be the owner of state assets and will no longer perform managerial functions over its subordinate enterprises, as it has become a corporate body. The relationship between the corporation and its subordinate enterprises has changed from superior and subordinate to investor and receiver.

It is now held solely responsible to the Wuhan State Assets Committee, the owner of the state assets, and will try to keep the annual increase of the state assets it is in charge of at seven percent, with a yield of 5.6 percent and profit rate of 13 percent.

This experiment separates ownership of state assets from their management, thus making it possible for the state property to keep its value unchanged or even to increase in value in the process of production.

This reform is of significance not only to Wuhan but also to the country as a whole, because almost all government institutions in China are facing changes in their operational systems.

It is reported that five other enterprise groups in Wuhan will follow suit early next year. So far, these enterprise are evaluating state property and making other necessary preparations.

Southwest Region

Tibetan Secretary Inspects Counties in Qamdo

OW0112140394 Lhasa Tibet People's Radio Network in Mandarin 1400 GMT 28 Nov 94

[FBIS Translated Text] Comrade Chen Kuiyuan, secretary of the Tibet Autonomous Regional CPC Committee, inspected six counties in Qamdo Prefecture, including Baxoi, Qamdo, Riwoke, Chagyab, Zogang, and Markam, from 14 to 20 November. He went to schools, residents' committees, and the houses of peasants and herdsmen to carry out investigations and studies, as well as visiting public security departments, armed police, troops stationed in Qamdo, and regional religious figures.

Secretary Chen said: Qamdo is important because it is situated in an area connecting Tibet and the hinterland of the motherland, and because of the size of its population, which accounts for one quarter Tibet's total. The central authorities have been showing concern over the work in Qamdo, whereas the autonomous regional party committee and people's government have been attaching importance to the work in Qamdo Prefecture. The speed of Qamdo's development and the stability of the situation in Qamdo not only have a direct influence on Tibet, but also on the hinterland. Cadres at various levels in Qamdo must take advantage of its location and resources, uphold the guiding ideology set forward at the Third Forum on Tibet Work and the Sixth Enlarged Plenary Session of the Fourth Tibet Autonomous Regional CPC Committee, and strive to lead all of Tibet in achieving development and stability.

Secretary Chen stressed: The most crucial key in stabilizing the situation and persisting in fighting splittism lies in properly building the contingent of party members in Tibet. Whether Tibet can effectively keep the anti-splittist struggle going and maintain long-term stability does not depend on splittist forces, but on ourselves. In the final analysis, it is necessary to properly build the contingent of party members. As long as party organizations around Tibet remain pure, strong, and capable of fighting, the disturbance caused by the splittist forces is nothing to us. One of the major points in implementing the guidelines of the Third Forum on Tibet Work and the Fourth Plenary Session of the 14th CPC Central Committee is to strengthen party-building.

It is necessary to correctly identify the fundamental interests and religious beliefs of peasants and herdsmen. The fundamental interests of the Tibetan people are increasing development and maintaining stability. As communists are representatives of Tibetan people's fundamental interests, the starting point and the end-result of all our work is to make the Tibetan people prosperous and help them thrive as soon as possible, so that they will live and work in peace and contentment and enjoy a civilized and happy life.

Some people do not really understand the true essence of Buddhism, pay no attention to happiness in real life, and pursue the so-called happiness of the next life, which does not exist at all. While people continue not to clearly see their own fundamental interests, blind religious belief is unavoidable. Despite this fact, however, we should never give up our education and guidance to the people and should not allow a laissez-faire attitude toward religions under the pretext that people are free to profess a religion. Communists are not allowed to have any religious belief, much less participation in religious activities by leading cadres at and above county level under any pretexts. Communists should intensify the work of educating and guiding the people, so that they will become prosperous as soon as possible. People in richer areas usually do not take a great interest in religions, whereas the poorer people are, the stronger their enthusiasm for religions. Party and government leaders at all levels should pay attention and attach importance to this point.

While inspecting Qamdo Prefectural Primary School and Middle School, Secretary Chen noted: The development of ethnic education should aim at improving the quality of nationalities as a whole. Ethnic education should not only maintain and carry forward a nationality's fine traditions, but also meet the needs of present social development. Ethnic education cannot be regarded as successful if it successfully maintains the old culture and traditions, but fails to suit the needs of present social development. The essence of educational work is to cultivate qualified constructors and successors for the socialist cause, and this is the sole basic mission in ethnic education. Where should we cultivate Tibet's constructors and successors? They are mainly trained at school. Graduates specialized in various subjects should not only be equipped with more scientific and cultural knowledge, but also with higher political and moral standards, as well as a healthy physique. Currently, there is a practice that merely stresses education in science and culture and overlooks moral education. A man who merely receives education is certainly not a constructor and successor for the socialist cause. He may advocate socialism, but it is also likely that he opposes socialism. He may safeguard the unification of the motherland and national unity, but it is also possible that he will disrupt national unity and engage in activities to split the motherland. The broad masses of comrades on the educational front should have a clear understanding of this fact.

Primary and middle schools are the foundation of ethnic education. Only with deep roots and strong seedlings can we cultivate useful persons for socialism. It is necessary to take Tibet's realities into consideration while selecting teaching materials. More efforts should be made in compiling teaching materials for localities that are aimed at raising the quality of teaching.

The goal of basic education, which aims at basically equipping every county with a middle school and every

township with a primary school, and drawing more than 80 percent of school-age children to schools by the end of this century, is a great objective ratified by the Third Forum on Tibet Work. The realization of this goal will be an achievement of boundless good to the Tibetan people. We must foster lofty ideals and have the confidence and capability to realize the goal.

It is necessary to improve the ranks of teachers. The quality of teachers has a direct influence on the future of students and Tibet. Tibet has placed educational work in a very important position; difficulties and problems existing in the ranks of teachers and teaching facilities will be gradually solved as the economy grows. To improve the overall quality of teachers, party committees and education departments at various levels are required to continue their efforts. Teachers should be worthy of the name of teacher and have their own principles and dignity as teachers. They should not only make demands of society, but should also set requirements of themselves. They will naturally acquire dignity if they have good conduct and great learning. Guided by the guidelines of the Third Forum on Tibet Work, the broad masses of the teaching faculty on the educational front should vigorously make due contributions to the revitalization of the Tibetan nationality, something they should regard as their duty.

During his inspection tour of Qamdo, Secretary Chen Kuiyuan stressed the need wherever he went to study ways to step up development in line with local conditions. In Riwoqe, Secretary Chen said: As there are only 30-60 frost-free days in the year, we cannot simply stress the role of agriculture as the foundation of the economy. Agriculture should be a general idea and not involve only grain-growing. Riwoqe should lay its stress on forestry and properly engage in collecting and processing wildlife resources as well as raising and processing livestock and relevant products, and vigorously develop modernized animal husbandry.

In Markam, Secretary Chen noted: Because of the great gap between north and south Markam, different guidelines should be given to each, so that they can take full advantage of their respective locations and resources in developing the economy in Markam.

In Zogang, Secretary Chen said: Development and construction should proceed one project after another. The agricultural development along Yuqu He is very promising. I hope you will devote a lot of effort to this project. Meanwhile, it is necessary to take full advantage of local resources and develop forestry. To develop forest resources, we should not be afraid of idle gossips, because without using local resources, how could the people become rich?

In Chagyab, Secretary Chen stressed: Chagyab's natural conditions are not the worst in Tibet. Historically, it even enjoyed a reputation as a good granary. But it is now on the list of the country's poor counties. I hope you will locate the source of poverty and study ways to

encourage development in a scientific manner, so that Chagyab will boost its economy to a new level every few years and become an advanced county.

Secretary Chen Kuiyuan was very concerned about the establishment of enterprises through regional associations. He noted: Tibet has offered many preferential policies to encourage the introduction of foreign equipment, technology, and capital into Tibet; regional associations and combinations of domestic enterprises; and the development of regional associations. In the course of practicing these policies, all localities should have an open mind, and welcome the opening of various restaurants and stores by people from the hinterland. They should particularly encourage development projects which invite the participation of Tibetans. They should not be afraid that people from the hinterland are taking their money or jobs away. Under a socialist market economy, Tibet develops its economy and the Tibetan people learn the skills to earn money when a hinterlander makes money in Tibet. While people from the hinterland are doing business in Tibet, they need places to eat and sleep, and this will enlarge Tibet's market. The promotion of regional associations does not always mean hinterlanders bring their money to Tibet; it is also a form of regional association to have Tibetans run some enterprises with high efficiency and quick yields in the hinterland.

Sichuan has already blazed a new trail by promoting its goods from ports in other provinces. We should draw a lesson from Sichuan: To develop the economy requires an open mind, quick wits, measures suited to local conditions, exploitation of favorable conditions and the avoidance of unfavorable ones, and a display of superiority. To achieve all this, we should keep an open mind!

Procedures for Evaluating Workers in Tibet Explained

OW0212110794 Lhasa XIZANG RIBAO in Chinese 28 Oct 94 p 3

["Tibet Autonomous Regional Procedures for Evaluating Workers"—adopted by the 23d executive meeting of the autonomous regional people's government 6 October and promulgated by autonomous regional chairman Gyaincain Norbu 17 October]

[FBIS Translated Text]

Chapter I. General Rules

Article 1. To evaluate workers' ideological and political awareness and performance in productive work, to appraise their actual technical and professional level, and to harness their enthusiasm in productive labor and in political and technical studies for enhancing the overall quality of workers in keeping with the demands of economic construction and social progress, these procedures are formulated in accordance with the State Council's "Regulations for Evaluating Workers" and in the light of Tibet's realities.

Article 2. These procedures are applicable to state-owned enterprises, institutions, units, and social organizations; as well as central government and army units stationed in Tibet.

Article 3. The autonomous region is implementing a workers' evaluating system. Workers must be evaluated on the basis of their job performance, and must be paid and compensated according to the relevant state and autonomous regional provisions.

Article 4. In evaluating workers, it is necessary to map out overall arrangements in light of reality, to carry them out step by step, and to adhere to stringent standards to ensure the quality of evaluation.

Chapter II. Categories of Evaluation

Article 5. Evaluation of workers shall be divided into the following categories: evaluation for employment, evaluation for transfer to a permanent post and wage scale grading, evaluation for taking up or being transferred to a new post, in-grade evaluation, promotion-in-grade evaluation, and examination and evaluation for certified technicians and senior technicians (hereafter called technicians).

Article 6. When recruiting and employing new workers, it is necessary to adhere to the principles "of gearing to the needs of society, of opening employment to all, of conducting all-around evaluation, and of recruiting for employment on the basis of qualifications." Newly recruited personnel must possess a certain level of education.

Article 7. Upon completion of the apprentice, probation, and maturity periods, workers must be tested and evaluated by a workers' evaluation group for transfer to a permanent post and grade in the wage scale. Only those who have passed the test and evaluation and are issued the corresponding "technical grade certificate" or "post qualification certificate" can take up the post and work independently; and can be given a grade in the wage scale based on their ideological and political awareness, performance in productive work, and actual technical skills and according to the relevant state and autonomous regional provisions. Those who fail the test and evaluation shall be given another make-up test and evaluation; and those who fail again shall have their labor contracts canceled, or shall be transferred to another job by employing units.

Article 8. Workers who perform in an outstanding manner during the apprentice, probation, and maturity periods may be given the test and evaluation in advance of the time required. However, the advanced time shall not exceed one-half of the apprentice, probation, and maturity period.

Article 9. When workers change job types, transfer to new posts, or operate new equipment, they must undergo technical and professional training, pass the test and evaluation for taking up or being transferred to a new

post, and obtain the "technical grade certificate," before they are allowed to take up the post and work independently.

When workers return to their original posts after more than a year of separation, they must first go through a certain refreshing period. Upon completion of the period, they must pass technical and professional tests and evaluation before they can formally turn to their posts and be given a new technical grade and appropriate grade in the wage scale commensurate with the evaluation results.

Article 10. Various units shall evaluate the technical and professional skills of their workers based on the workers' current grade level every two to three years according to the production, operational, and work requirements. Those who are not qualified may take a make-up test. If those workers still fail during the make-up test, their technical grade should be lowered and they may be transferred to other work (post). Their technical grades, wages, and other remunerations shall be reclassified.

Article 11. Those who are qualified in the evaluation based on their current grade may apply to take the examination for promotion to a higher grade. Examination for promotion shall be conducted every two to three years. Those who have made special contributions and are recommended by respective sections and departments and approved by the workers evaluation organizations may take examinations for promotion to the next higher grade or by more than one grade. Those who qualify in the examination shall be issued an appropriate "technical grade certificate" as the basis for employment and the adjustment of wages.

Article 12. According to related stipulations of the autonomous region, senior technical workers may apply to take an examination on the qualification of technicians, and technicians may apply to take an examination on the qualification of senior technicians. Those who qualify in the examination shall be issued an appropriate "technician's qualification certificate" as the basis for employment.

Chapter III Contents of Evaluation

Article 13. The contents of the evaluation for workers include ideological and political consciousness, production achievements, technical and professional skills, and education level.

Article 14. The evaluation of ideological and political consciousness mainly includes assessments of workers' observance of laws and regulations, state policies, rules of their own units, and vocational ethics and their working attitude.

Article 15. The evaluation of production and work achievements mainly includes assessments on the quantity and quality of production (work) tasks completed by the workers, results in solving technical and operational

problems, achievements in teaching technologies, and experience and the situation of safe production.

Article 16. The evaluation of technical and professional skills and educational level includes assessments on workers' knowledge of technical and professional theories and actual operational skills according to the current "standard for technical grades of workers" or "standards for posts" promulgated by the Ministry of Labor.

Article 17. The rule for implementing the evaluation of workers and the standard for evaluation shall be formulated by departments responsible for the work of various prefectures (cities) and trades, and shall be submitted to the regional department in charge of labor administration for the record.

Article 18. The evaluation of qualifications for the appointment of technicians shall be implemented according to the stipulations of the "opinions on implementing the system of appointment of technicians on a contract basis in the Tibet Autonomous Region."

Chapter IV. Methods of Evaluation

Article 19. To evaluate workers' ideological and political awareness and performance in productive work, we should basically intensify routine administration, specify appraisal standards stressing mainly quotas and partially regularity, and carry out the appraisals regularly.

Article 20. Written examinations shall be used mainly to test workers' understanding of technical and professional theories. Older workers with a lower educational level may undergo evaluations consisting mainly of oral tests. To appraise workers' operating techniques, separate sessions may be held to test different groups on their productive or operating skills. Or, their performance in a typical piece of work or in a special task may be selected for appraisal. When evaluating their actual technical and professional level, the total marks shall be 100 and the passing marks are 60.

Article 21. Passing means a worker has passed the evaluations on ideological and political awareness, on performance in productive work, and on actual technical and professional level.

Article 22. If a certain type of work does not have the position of senior worker in accordance with the "Standards of Workers' Technical Grade," no evaluation for the senior workers' technical grade shall be held.

Article 23. When determining the questions to evaluate workers' technical and professional skills in any type of work (or post), we must follow the stipulations of the current "Standards for Technical Grades of Workers" or "Standards for Posts" promulgated by the Ministry of Labor and must take into account the workers' actual standards.

If the grades of junior, intermediate, and senior workers in any type of work have yet to be categorized, they should be designated according to the original standards for technical grades.

Article 24. Various departments (or units) directly under the Tibet Autonomous Regional Government shall let their respective evaluation committees on workers' technical standards unify and organize tasks on determining questions, drawing up examination papers, holding examinations, and marking examination papers for junior, intermediate, and senior workers in their relevant departments (units).

Various prefectural (or city) evaluation committees on workers' technical standards shall unify and organize tasks on determining questions, drawing up examination papers, holding examinations, and marking examination papers for junior, intermediate, and senior workers in the relevant prefectures (or cities).

Chapter V. Organization and Management

Article 25. The establishment and duties of organizations at various levels that evaluate workers' technical standards shall be undertaken and carried out in accordance with the "Tibet Autonomous Regional Regulations Governing Organizations That Evaluate Workers' Technical Standards."

Article 26. The Tibet Autonomous Regional Evaluation Committee on Workers' Technical Standards shall be responsible for approving and issuing "senior technical-grade certificates," whereas various relevant prefectural (or city) and departmental evaluation committees on workers' technical standards shall be responsible for approving and issuing "junior and intermediate technical-grade certificates."

Article 27. The format and method of issuance of the "certificate of job qualification" shall be decided by competent departments on a unified basis.

Article 28. The "technician's certificate" and the "certificate of technical grades," which are printed by the Ministry of Labor in a uniform format, shall be issued by the autonomous regional labor administration department on a unified basis.

Article 29. Relevant state and autonomous regional provisions shall continue to apply to the management of the "license for special professions."

Chapter VI. Articles on Punishment

Article 30. Labor departments shall not help new workers who have been employed by those who violate Article 6 of these procedures with employment formalities.

Article 31. Personnel from all levels of organizations for workers' technical evaluation who are directly responsible for fraudulent practices or for committing irregularities while practicing favoritism in the process of evaluation and examination shall face disciplinary sanctions, which shall be meted out by the units or departments immediately above them according to the gravity of their cases and within the limits of the authority for personnel management.

Article 32. Those who have violated stipulations regarding the issuance of the "technician's certificate" and the "certificate of technical grades" by wantonly issuing the certificates shall declare the papers null and void. Those who are directly responsible shall also be given disciplinary sanctions by their units or procuratorates according to the gravity of their cases. Those who have wantonly issued these certificates to pocket illegal income shall have the money confiscated and shall be fined an amount not more than five times that of the illegal income. For those whose actions constitute a crime, the judicial organs shall investigate and affix responsibility for the crime committed.

Chapter VII. Supplementary Articles

Article 33. Enterprises and institutions under collective ownership, private enterprises, and the three types of partly or wholly foreign-owned enterprises may use these procedures as a reference.

Article 34. The autonomous regional labor bureau shall be responsible for interpreting these procedures.

Article 35. These procedures shall take effect on 1 January 1995. The "Interim Regulations on Technical Evaluation of Workers (Trial Implementation)," transmitted by the autonomous regional labor bureau in 1983, shall become null on the same date.

Yunnan Border Patrols Crack Down on Traffickers

OW0112130794 Beijing XINHUA Domestic Service in Chinese 0049 GMT 26 Nov 94

["Newsletter" by reporters Duan Jianxun (3008 1696 8113), Tan Daobo (6223 6670 0590), and correspondent Yang Tongshi (2799 4827 2514): "Soldiers Travel Together as a result of Opening Up—a Report from the Yunnan Border Defense Units"]

[FBIS Translated Excerpt] [Passage omitted] Following the opening up of the Yunnan border, criminals trying to accumulate capital through smuggling and tax evasion have stepped up their smuggling activities at border entry and exit points in Yunnan to reap staggering illegal profits.

Exploiting the favorable geographical advantage of the "Golden Triangle" bordering Yunnan, drug traffickers have been attempting to open up a "white passage" through which to ship drugs to other countries. [passage omitted]

"Every soldier is a pile and each sentry post is a wall." Officers and men of a certain border defense regiment, who completely resist the temptation of cash bribes of several thousands or even tens of thousands of yuan merely to let a vehicle through, will never allow a smuggling vehicle to pass their check points. It is the

linkage of each and every sentry post that forms the Yunnan border defense units—a 1,000 li-long wall against smuggling vehicles.

Leaders of various People's Liberation Army and Armed Police units stationed in Yunnan lead officers and men in firmly sealing and blocking the highly profitable drug passage according to state laws. Smugglers will be investigated in daytime if they come through in the daytime, and will be blocked in the dark if they try to get through by night. Even those who try to bypass the state entry and exit points by going through the dense jungle will find it difficult to escape the vigilant eyes of the officers and men.

The Yunnan Military District also mobilizes militiamen of various nationalities to widely promote the establishment of "drug-free villages" along the border, a scheme under which villagers will refrain from taking or trafficking in drugs. Some foreign drug traffickers who have tried to seek entry by bypassing villages in disguise have ended up in the net of justice after being uncovered by militiamen. [passage omitted]

North Region

Report on Foreign Insurance Business in Beijing

OW0112063894 Beijing XINHUA in English 0618
GMT 1 Dec 94

[FBIS Transcribed Text] Beijing, December 1 (XINHUA)—The nearly 100 foreign-funded hotels and most of the 3,000 foreign commercial representative offices in Beijing feel secure now that they have taken out policies with the Beijing Branch of the People's Insurance Company of China.

The hotels and representatives, along with several hundred foreign trade firms and about 9,000 joint ventures, have paid a total of 35 million U.S. dollars in premiums to the company.

In the first ten months of this year the amount of premiums in the company's overseas department hit a record 35 million U.S. dollars, a rise of 10.6 percent over last year's figure.

the Beijing branch of the company opened foreign-related insurance services in 1980, when it accepted only enterprise asset insurance premiums, totalling no more than 4.37 million U.S. dollars.

Now, however, clients have access to more than 60 sorts of insurance concerning foreign business, such as export credit insurance and packaging insurance for export commodities.

Some 85 out of every 100 foreign trade firms in Beijing have taken out policies with the company, which offers all the services that foreign insurance companies offer.

The Beijing Mistsushita Color Crt Co. Ltd, the Great Wall Sheraton Hotel, Hotel New Otani Chang Fu Gong,

Beijing Shangri-La Hotel and Beijing Jeep Corporation Ltd., among many others, carry a dozen types of insurance each.

To meet the thriving market, the company is expanding quickly. It has dotted the capital with 130 branches and hired more than 200 agents. Meanwhile it has designated 300 commodity-checking and compensation agents in some 100 countries and regions worldwide.

The company has paid out 30 million U.S. dollars in compensation since 1980.

Ordinary families, too, are becoming more aware of the importance of insurance. Now, several million people working in 10,000 enterprises and two million urban and rural families in the capital city have bought some 200 types of insurance.

Beijing High-Tech Zone Attracts Overseas Investment

OW0112052194 Beijing XINHUA in English 0506
GMT 1 Dec 94

[FBIS Transcribed Text] Beijing, December 1 (XINHUA)—The state-level high-tech development zone in Beijing has attracted a large number of overseas investors since its founding six years ago.

So far, the Beijing New-Tech Industrial Development and Experiment Zone has already approved the establishment of over 1,000 overseas businesses, with an investment totalling 760 million U.S. dollars, with 14 undertakings exceeding 10 million U.S. dollars each.

The investors include General Electric, International Business Machine, American Telephone and Telegraph, and Hewlett-Packard of the United States, Mitsui, Mitsubishi, Sumitomo, National, Hitachi and Canon of Japan, and SGS of Switzerland. Last year, they contributed 20 percent and 30 percent of the total sales volume and gross output of the zone.

The Chinese partners of the overseas ventures in the zone are technologically-oriented, with over 40 percent of their investment in terms of technology.

To facilitate overseas investment, a large number of supportive projects have been set up in the zone, including real estate information companies, consultancy companies, public accountant firms, economic and technical exchange centers.

Tianjin Port Sets Record Freight Volume

OW0112172394 Beijing XINHUA in English 1456
GMT 1 Dec 94

[FBIS Transcribed Text] Beijing, December 1 (XINHUA)—The Port of Tianjin in north China handled a total of 40 million tons of goods in the first 11 months of this year, hitting an all-time high, the "CHINA COMMUNICATIONS" reported.

This year, the port has made great efforts to increase production and step up construction.

By November 13, the port had already reached the state-set goal for the whole year, having handled 5.05 million tons of goods more than it had been assigned, the paper said.

Of the volume of freight handled, 80 percent is in import and export commodities.

A port official attributed the good results to the initiation of a program to increase labor efficiency and provide customers with better services.

The port now has business ties with over 300 harbors in more than 160 countries and territories and jointly-built bonded warehouses. It has also built six deep-water berths with loans from the World Bank, according to the report.

Northeast Region

Harbin Court Tries Seven Major Criminal Cases

SK0112062694 Harbin HEILONGJIANG RIBAO in Chinese 18 Nov 94 p 3

[FBIS Translated Text] To deal with criminal offenders harshly, the Harbin city intermediate court held a meeting on 17 November to openly pass sentence on seven major criminal cases involving 16 criminal offenders. Criminals, including Chen Zesheng, were sentenced to death and deprived of their lifelong political rights.

Around 1600 on 12 December 1992 when Defendant He Hongfei went to Zhenxing fur shop to ask to use the telephone, he had a quarrel with the shop owner. They exchanged blows. After that, Criminal He left the shop and asked Chen Zesheng for help. Chen took a small-bore rifle to shoot the shop owner's back, chest, and belly; and killed him. Criminal Chen was sentenced to death and deprived of lifelong political rights, and Criminal He was sentenced to four years' imprisonment.

Heilongjiang's Harbin Punishes Pornographic Peddlers

SK0112133794 Harbin HEILONGJIANG RIBAO in Chinese 19 Nov 94 p 1

[FBIS Translated Text] Cultural and public security bureaus in Harbin jointly held an open trial on the morning of 18 November to punish a large number of criminal elements on charges of trafficking in "pornographic articles" and to revoke the licenses of some business owners who had violated the law.

During the trial, Chen Ying, deputy director of the Harbin Public Security Bureau, read the decision on punishing some criminal elements in this regard. Liu Chuanxian, Liu Chuanzhi, and Fu Zhihai were called to account with the law for their criminal liabilities on

charges of trafficking in pornographic books and periodicals and for violating the 170th article of the "penal code". Tian Guoqing, a cadre of the Tiedong office of Xiaofang District in Harbin, was captured by public security personnel when he was showing a pornographic videotape in a studio contractually run by him before 120 viewers recruited by him. According to his confession made during the interrogation, he showed pornographic videotapes on 15 occasions, recruited more than 1,000 viewers, and duplicated more than 10 pornographic videotapes. In line with the stipulations related to the "third" section of the first article in the "Regulations of Specifically Applied Laws on Handling the Criminal Cases of Pornographic Articles" and related to the regulations of the 170th article of the penal code, he was called to account in line with the law for his criminal liabilities. Ji Shumei (female), a worker retired from the pharmaceutical factory of Harbin, bought 30 pornographic videotapes and lent them to 10 viewers. She was punished by sending her to the reformatory for two years of education through labor work. The 13 criminal elements of duplicating, lending, and trafficking in pornographic videotapes, including Wang Yongju, were punished by respectively imposing detentions and fines on them. During the trial, Yu Kan, deputy director of the Harbin Cultural Bureau, read the decision on revoking licenses on 16 videotape lending and showing units, including the Jingyang videotape lending store.

Jilin Holds Meeting on Publications' Distribution

SK0212004994 Harbin HEILONGJIANG RIBAO in Chinese 18 Nov 94 p 1

[By reporter Jiao Qijun (3542 0366 6511): "Give Impetus To Firmly Implementing the Work on Distribution of Party Newspapers and Party Periodicals"]

[FBIS Translated Text] On the afternoon of 17 November, the Propaganda Department of the provincial party committee and the provincial Posts and Telecommunications Administrative Bureau cosponsored a provincial telephone conference on distribution of party newspapers and party periodicals. The conference reported on the situation of receiving subscriptions for party newspapers and party periodicals, issued mobilization call, worked out plans for the next step of distribution work, and called for efforts to strengthen leadership, to implement measures, to create a new upsurge in soliciting subscription of party newspapers and magazines, and to resolutely guarantee the fulfillment of party newspapers and party magazines distribution plan.

The conference pointed out: After the convocation of the provincial meeting on the distribution of party newspapers and party magazines in 1995, party committees and governments at all levels and the propaganda and posts and telecommunications departments did painstaking work and achieved definite achievements in receiving subscriptions for party newspapers and party magazines. Some cities and counties (districts) achieved fairly rapid

progress in the subscription work. Dongfeng County and Kuancheng District in Changchun city overfulfilled their "JILIN RIBAO" subscription tasks. However, the whole province has lagged far behind in the general subscription situation for party newspapers and party magazines, and the progress of the work has been slow and extremely uneven. The main reason for this was that some localities failed to deeply publicize and mobilize efforts to carry out this work and to adopt effective measures; the local administrative working funds and the funds pooled from the rural areas were not promptly put in place; and the relationship between the distribution of local and county-level newspapers and that of provincial and central-level important party newspapers and party magazines was not properly handled. Furthermore, the unhealthy trends in the distribution of party newspapers and party magazines also affected the subscription work. The conference called for efforts to rapidly change the passive situation in the distribution work of party newspapers and party magazines and to guarantee the smooth fulfillment of the party newspapers and magazines distribution plan.

First of all, we should further enhance the understanding of the importance of distributing party newspapers and party magazines. Party and government leaders at all levels should attach importance to the distribution of party newspapers and party magazines with a high sense of political responsibility; the propaganda and posts and telecommunications departments should regard this work as a glorious political task and grasp it firmly and well.

Second, we should guarantee the priorities and create an upsurge in propaganda and subscription. The major party newspapers and party magazines to be distributed for sales in the province are "RENMIN RIBAO," "JILIN RIBAO," "QIUSHI," "XINCHANG ZHENG," "DANG YUAN ZHI YOU," "GUANGMING RIBAO," "JINGJI RIBAO," "BAN YUE TAN," "LIAOWANG," "JILIN JINGJI BAO," and "XIN HUA MEI RI DIAN XUN." The most important ones are "RENMIN RIBAO," "JILIN RIBAO," and "QIUSHI" and "XINCHANG ZHENG" magazines.

Third, we should strengthen measures and realistically solve the existing problems in the course of distribution. All localities should first guarantee funds for subscribing party newspapers and party magazines, and on the premise of fulfilling the distribution task of party newspapers and party magazines, give consideration to the subscription for other newspapers and magazines.

Fourth, propaganda departments at all levels and the posts and telecommunication departments should jointly organize an inspection, analyze and study the distribution situation of party newspapers and party magazines, particularly "RENMIN RIBAO," "JILIN RIBAO," and "QIUSHI," and "XINCHANG ZHENG" magazines in their localities, accurately find out their own problems, formulate measures, and firmly carry

them out. The subscription departments should render good service, appropriately extend the business hours, go to the forefront to solicit subscriptions, and try their best to make things convenient for the subscribers.

In accordance with the spirit of the document jointly issued by the Propaganda and Organization Departments of the CPC Central Committee and the Ministry of Posts and Telecommunications, the conference decided to conduct a province-wide party newspapers and party magazines propaganda and subscription week activity beginning on 20 November in an effort to create a new upsurge in the subscription work.

Liaoning Secretary on Plenum's Guidelines

SK0212041594 Shenyang LIAONING RIBAO in Chinese 30 Oct 94 p 1

[Report by Zhu Qin (2612 0530): "Conscientiously Implement the Guidelines of the Fourth Plenary Session and Push Liaoning's Party Building to a New Stage"]

[FBIS Translated Text] After satisfactorily accomplishing various predetermined tasks, the three-day 10th plenary session of the Seventh Liaoning Provincial CPC Committee concluded in Shenyang on the afternoon of 29 October.

Zhang Guoguang, deputy secretary of the provincial party committee, chaired the session.

Through examinations and discussions, the session approved the "Liaoning Provincial CPC Committee's suggestions on implementing the 'CPC Central Committee's decision on several major issues concerning the enhancement of party building'" and the "provincial party committee's decision on convening the Eighth Liaoning Provincial CPC Congress." The Eighth Liaoning Provincial CPC Congress will be held in August 1995. Xiao Zuofu, standing committee member of the provincial party committee and vice governor of the provincial government, relayed the guidelines of Premier Li Peng's speech made during his inspection in Liaoning. Gu Jinchi, secretary of the provincial party committee, made an important speech on how to implement the guidelines of the fourth plenary session and the current party building work. Xiao Zuofu made a speech entitled "Carefully Arrange the Current Economic Work and Ensure the Fulfillment of the 1994 Tasks."

Gu Jinchi's speech involves three parts: First, deeply understand the guidelines of the fourth plenary session and enhance the awareness of strengthening party building in the new situation. Second, conscientiously implement the "decision" of the fourth plenary session and push the province's party building to a new stage. Third, bring the party's role as a leading core into full play and promote the progress of reform, opening up, and economic construction.

Gu Jinchi said: The fourth plenary session of the 14th party Central Committee is an important meeting of

overall and far-reaching significance that was held at the crucial moment of reform, opening up, and socialist modernization. The "party Central Committee's decision on several issues concerning the enhancement of the party building" as adopted at the plenary session is a major move of the party Central Committee for fulfilling our party's historical heavy task in the new situation, as well as a programmatic document for strengthening and improving the party building. The "decision" is of extremely timely importance and completely conforms to our province's reality of party building. Standing in the forefront of the times to achieve the building of our party is a new great project pioneered by the leading collective of the second generation with Comrade Deng Xiaoping as its nucleus and continuously carried out by the central leading collective of the third generation with Comrade Jiang Zemin as its nucleus. Conscientiously implementing the guidelines of the fourth plenary session is of extremely important significance to upgrading the leadership and ruling level of the party, ensuring the fulfillment of the tasks as set forth at the 14th party congress, persistently not shaking the basic line of the party for a hundred years, and realizing the second-and third-step great strategic plan. Thus, we must deeply understand the guidelines of the fourth plenary session and unify the thinking of the party members and cadres with the guidelines of the fourth plenary session.

Gu Jinchu said: Conscientiously implementing the decision of the fourth plenary session is an important task at present and in the foreseeable future. After this plenary session, the party committees at various levels should attach high importance, make careful arrangements, and conscientiously organize the broad masses of party members, particularly party-member leading cadres, to study the decision. According to the central decision and the "suggestions on implementing the decision" as adopted at this plenary session, all localities should proceed from actual conditions, set forth specific measures, and conscientiously attend to the implementation of the decision.

Party committees at high levels should supervise and examine how the "decision" is implemented among party committees at lower levels. Top leaders of party committees at all levels should list party building as a major item on their daily agenda and should consider party building as an important content while arranging for, examining, and guiding the work in a bid to clearly understand the real situation and achieve remarkable results. Deputy secretaries in charge of party building work must go all out to grasp party building. Propaganda departments at all levels, as well as all journalist units, should positively and conscientiously do propaganda work to promote the profound study and implementation of the "decision."

Gu Jinchu said: The purpose of studying the "decision" lies in implementation, and the key to implementing the "decision" lies in the effort of resolving the practical problems in party building by proceeding from the

reality. It should be affirmed that over the past several years, party organizations at all levels in the province have, around the party's basic line, continuously strengthened the building of ideology, organization, and work style and achieved remarkable results under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the guidelines of the 14th party congress. However, comparing the guidelines of the fourth plenary session of the 14th party congress, we can clearly see that shortcomings remain in many fields. For instance, some leading comrades have lacked an understanding of importance and urgency of the study and have failed in handling the relations between studying theory and doing work. Some cadres have not fully emancipated their mind, have not fully enhanced their spirit, and have not been strong in doing the pioneering work. Some leading cadres have refused to enforce directives and prohibitions and have gone their way when the instructions from higher levels and the decisions made by collectives are inconsistent with their own opinions. Some leading members have even caused disunity for lacking coordination and support with others. In both urban and rural areas, there have been some grass-roots party organizations that are weak in fighting capacity. When partial interest conflicts with overall interest, these party organizations have been unable to take the overall interest into account and have looked weak, incompetent, and helpless in face of some "much-debated" questions and difficulties. In rural areas, some party organizations have been at a paralyzed or semi-paralyzed state. In the ranks of cadres, there have also been some comrades who have been poor in political and professional expertise and thus have failed to meet the demand of the new situation of developing the socialist market economy. Considerably more leading bodies are unreasonable in structure and lack young cadres. Some leading cadres are not upright in ideas and work style. Some of them have indulged in subjectivism and formalism and have become seriously divorced from the masses. Some others have only reported good news but not bad news to higher authorities and have even told a lie to deceive their superiors and delude their subordinates. Still others have been engulfed in ideals and faith, have forgotten the party's purpose, and have seized powers to seek personal gains. A few have even embarked on the path of crime. We should fully understand these problems and adopt effective measures to tackle them.

Gu Jinchu stressed: By implementing the guidelines of the fourth plenary session, we will push party building to a new stage. We must comprehensively strengthen party building, give prominence to organizational building, and continuously improve the skill of leading and ruling the country, closely around the objectives and tasks on party building during the new period. In the process of implementing the "decision," we should lay emphasis on successfully handling the relations in the following several fields.

We should correctly handle the relations between party building and the overall situation of the work of the whole party and should strengthen party building closely around the party's basic line.

We should correctly handle the relation between "overall arrangements" and "prominent link." While continuously enhancing the construction of the party's ideology and work style, a good job should be done in grasping the three focal points of organizational construction. Party committees at all levels should gripe the basic demand of party building; further uphold and perfect democratic centralism; and pay special attention to systematic construction so as to apply the complete systems to protecting the inner party democracy, safeguarding the central authority, and ensuring the unification on the major and important issues of the entire party. Efforts should be made to uphold the demands of having the party manage its own affairs and of strictly running the party and a good job should be done in handling various problems cropping up in grass-roots-level organizational construction. Efforts should be made to establish or improve the responsibility system and to regard the progress of grass-roots-level construction of party organizations as an important basis for evaluating the practical work achievement scored by the secretary of city and county party committees. We should deepen our understanding on the important strategic significance of training and selecting young cadres, implement in an overall way the "four requirements" principle and the standard of having both ability and political integrity, and earnestly select and promote cadres and particularly party and government cadres at or above the county level. We should also reinforce the dynamics in the work in line with the demand of rational structure so as to accelerate the progress in having cadres across the province become younger. In selecting and promoting cadres, we should pay attention to the general acceptance of the masses; adopt practically feasible measures and procedures; and uphold the mass line. In improving the systems of personnel exchanges, we should uphold the principle of training and steeling cadres in multiple posts and at multiple levels. Efforts should be made to gradually establish or improve the system of survival of the fittest and to truly deal with the issue of having able cadres in both higher and lower posts so as to maintain the vitality and vigor of cadres' contingent.

We should correctly handle the relation between inheriting and carrying forward the fine tradition, as well as conducting practice and creating something new. In line with the demand of the new situation, we should not only carry forward the fine tradition and uphold the successful experience; but also continuously conduct practice, boldly engage in exploration, and bravely create something new by proceeding from the reality.

We should correctly handle the relation between the long-term construction and the immediate work. We should not only have the long-term party building in mind, but also do a good job in grasping in an overall

way the various tasks of party building at present and specifically implement the demands of the "decision" for conducting the current work. It is a good opportunity for us to enhance the party building in the term-shift election of party committees at three levels next year. We should uphold the spirit of the fourth plenary session as a guidance, extensively conduct education on upholding the principle of democratic centralism through the term-shift election, and elect and promote a large number of cadres with both ability and political integrity to improve the state of leading bodies at all levels.

Qu Jinchi stated: Party committees at all levels should have the whole situation in mind, seize the current situation, define their ideas, and do a good job in grasping big events.

In urging party committees at all levels and particularly the city and county party committees to emphatically grasp the several important tasks, he cited the following several opinions for them: First, great attention should be paid to the work relating to agriculture, rural areas, and peasants and to making efforts to enhance the basic position of agriculture. Second, efforts should be made to regard the task of boosting the state-run enterprises as the focal point of urban work and to continuously deepen the reform in various fields. Third, efforts should be made to further broaden the opening up. Fourth, by regarding the spirit of the fourth plenary session as a guidance, a good job should be done in making preparations for the convocation of party congresses at the provincial, city, and county levels. Fifth, efforts should be made to persistently take a two-handed approach and to be tough with both hands. By implementing the central decision, efforts should be made to further enhance the ideological and political work; to strengthen the construction of spiritual civilization, democracy, and legal systems; and to vigorously train new successors with "four requirements."

Gu Jinchi emphatically stated: Party committees at all levels must clearly understand the situation, heighten their spirit, emancipate their minds, and boldly engage in pioneering work. They must realistically enhance their leadership over the economic work and the work in other fields and bring into full play the party's role of the leading core and combating fort. They also must further change their work style; go deep into reality; show concern for the masses; give every care to the masses; hold few parties, do more practical deeds; and grasp the work in various fields firmly, realistically, deeply, and carefully so as to duly score practical effect in every task.

Attending the plenary session were members and alternate members of the provincial party committee; members of the provincial discipline inspection commission; party-member leading comrades from several provincial-level major institutions; and secretaries of various city party committees, mayors of various cities, and secretaries of various city discipline inspection commissions. Attending the plenary session as observers were

the principal leading comrades form the provincial level organs and the central institutions stationed in the province.

Liaoning Acting Governor Speaks on Opening Up

SK0212005594 Shenyang LIAONING RIBAO in Chinese 20 Nov 94 p 1

[By reporter Wang Sumei (3769 4790 2734): "Foreign Investment Moves Northward, and a Good Opportunity Prevails in Opening to Outside World"]

[FBIS Translated Text] In his summing-up speech given at the provincial work forum on opening to the outside world, which was held on 18 and 19 November, Acting Governor Wen Shizhen put forward a general idea for Liaoning's opening to the outside world. It is to "adhere to the principle of promoting reform, restructuring, transformation, and development through opening up; implement the strategy of pushing all work forward through the export-oriented economy; develop foreign investment, foreign trade, and foreign economic relations simultaneously; and establish a new pattern of the export-oriented economy, which emphasizes invigoration of large and medium-sized enterprises, and whose major content is developing high-yield, high-efficient, and good-quality agriculture, transforming traditional industries with high and new technology, developing high-and new-tech industries, and expanding the intensive processing of resources."

Acting Governor Wen Shizhen summarized the tremendous achievements Liaoning had won in opening to the outside world in the past decade and more. He said: Opening to the outside world has helped us promote the change in concepts and ways of thinking; build initial tangible and intangible conditions compatible with opening to the outside world; establish a pattern of opening up, which takes Dalian as the "dragon head," coastal cities as two wings, and Shenyang and other central city groups as hinterland; and achieve rapid progress in foreign trade, foreign investment utilization, contracts for construction projects abroad, and international tourism. From 1979 to 1993, Liaoning's export volume totaled \$68.04 billion, equivalent to 11.6 times that of the years before reform and opening up started and showing an average annual increase of 14.1 percent; and a group of export-oriented industries and important export commodities took shape. Highly competitive products of which export volume exceeded \$5 million neared 100. In the commodities exported, industrial manufactured goods accounted for 76.1 percent, showing an initial change from primary products to manufactured products.

He pointed out: A trend of foreign investment moving northward has emerged. Liaoning's advantage in industrial foundation has begun to attract foreign countries, and Canada, Japan, United States, and West European

countries have considered Liaoning promising. The new situation characterized by the northward movement of foreign investment has been fully embodied in Liaoning's opening to the outside world. In the first 10 months of this year, Liaoning used \$3.287 billion foreign investment. We signed 2,011 direct foreign investment contracts promising \$3.04 billion of foreign investment, up 9 percent from the same period last year. All the above-mentioned, no doubt, represents a rare opportunity to Liaoning. He emphasized: We should seize the opportunity and have a sense of urgency. This is because the foreign investment fever will last for another five to six years, according to the analysis of some authoritative economists, and the next two to three years are the key period to Liaoning. In particular, Liaoning's large and medium-sized enterprises account for 10 percent of the country's total, and the overwhelming majority of them urgently need to be transformed because of their outdated equipment and backward technology. Enterprises' transformation is meaningful only when it is carried out in line with the technological development trend of the world. There is only way to achieve this, namely opening up, pushing our enterprises to the world market, introducing advanced technology and equipment as well as funds, and helping large and medium-sized state-owned enterprises eliminate burdens as soon as possible, advance with a light pack, and regain prestige. Guided by the general idea for opening to the outside world, Liaoning should fulfill three major strategic tasks by the end of this century. First, we should establish an initial framework of the socialist market economy system and establish, by and large, an economic operation mechanism and enterprise operating mechanism compatible with the world economy. We should construct the three systems and the two networks that conform to the market economy (the modern enterprise system, the income distribution system, and the social security system, and the market network and the macroeconomic regulation and control network). Second, we should adjust and optimize the economic structure, establish an initial internationalized industrial system, and establish a new pattern of the export-oriented economy. Third, we should substantially increase our economic strength and achieve the 300-percent increase and moderate prosperity ahead of schedule. Meanwhile, we should also put forward specific development goals for foreign investment, foreign trade, and foreign economic relations.

At the forum, the "opinions on Liaoning's work of opening wider to the outside world" issued by the provincial foreign trade and economic cooperation department were discussed; and Zhang Wenzhu, deputy secretary general of the provincial government, gave a report on the provincial government economic delegation's visits to Canada and Australia.

Vice Governor Gao Guozhu presided over the forum and gave a speech.

Premier Lien Chan Urges Voters To 'Remain Calm'

OW0212083694 Taipei CNA in English 0806 GMT
2 Dec 94

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Dec. 2 (CNA)—Premier Lien Chan Friday [2 December] called on all people to remain calm and rational on the eve of important Taiwan gubernatorial and Taipei and Kaohsiung mayoral elections.

Noting that boisterous, sensational campaigning activities are drawing to an end, Lien said local voters should use their wisdom and conscience while casting ballots Saturday to elect the most suitable persons to the three important government posts.

Lien also urged all candidates to show democratic manners and sportsmanship and refrain from resorting to violence to resolve any disputes or problems in the course of voting and ballot counting.

"Any election-related problems should be resolved through legal procedures," Lien stressed.

He ordered police authorities to tighten vigilance against any possible irregularities to maintain social stability before and after the elections.

"We will not let any unstatesmanlike losers disrupt the social order and undermine our democratic development," Lien said.

Noting that the Dec. 3 elections will usher in a new era in Taiwan's political history, Lien demanded all election workers remain cautious in vote distribution and counting to ensure "zero defect" in the whole process. "By doing so, we can avoid giving any excuse for voters or candidates to stir disturbances," he said. "Let us work together to make the elections a success and everybody a winner."

The Dec. 3 elections mark the first-ever popular vote for the Taiwan gubernatorial post, the first popular vote in 30 years for the Taipei mayoralty and the first election in nearly 20 years for the Kaohsiung mayoral post. Voters will also elect members of the Taiwan provincial assembly and Taipei and Kaohsiung city councils.

The elections have attracted a great deal of attention from the international media. Major Japanese newspapers, including YOMIURI SHIMBUN and ASAHI SHIMBUN, have given prominent reports on the event in recent days. The two papers said the election results will have a significant impact on Taiwan's future and its relations with Mainland China.

Many parliamentarians and political observers from Japan, Canada, South Africa, the United States, Hong Kong and Mainland China have also gathered in Taipei to observe the elections.

Police Get Information on Possible Disturbances

OW0212104894 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
1 Dec 94

[From the "Hookup" program]

[FBIS Translated Text] Meanwhile, the police have received information on the eve of the election day saying that there may be disturbances following the counting of the ballots on 3 December. Speaking at a news conference yesterday, Director General of the National Police Administration Lu Yu-chun called on the people to observe peace and exercise reason.

He also said that, if necessary, the police would cooperate with the military to stop any violent acts.

Here is a report by Wan I-chin:

[Begin recording] [Wan] On the eve of election day, the police received information saying that following the counting of the ballots on 3 December, some people, refusing to admit defeat in the election, may spread rumors and incite the masses to harass (?police), judicial, and security departments, or even to create disturbances to undermine state security and social tranquility. Director General of the National Police Administration Lu Yu-chun said on 1 December that because some candidates had stressed ideology during the election campaign, there had been some confrontations, a situation which would create difficulties for the police in maintaining order. Lu Yu-chun pointed out that the maintenance of public order on the evening of 3 December will rely mainly on the police, but that, if necessary, the police would cooperate with the military police. He said: [Lu Yu-chun unmonitored]

[Wan] Lu Yu-chun called on the masses and the candidates to accept the results of voting like gentlemen. [words indistinct] CBC reporter Wan I-chin reporting at the National Police Administration. [end recording]

Kuomintang Official Urges Return of CNP Members

OW0212061794 Taipei CNA in English 1425 GMT
1 Dec 94

[By Bear Lee]

[FBIS Transcribed Text] Taipei, Dec. 1 (CNA)—Kuomintang [KMT] Secretary-General Hsu Shui-te on Thursday [1 December] urged members of the Chinese New Party [CNP] to reintegrate with the ruling party.

The Chinese New Party was formed by maverick members of the ruling party last year.

Hsu, at a press conference held for local and foreign journalists covering the Dec. 3 elections, said that he personally shares many of the ideas of the CNP, but does not agree with the way the CNP is trying to achieve its goals.

He said that since the KMT and the CNP share a common stand against Taiwan independence, CNP members should return to their "mother party" and support KMT candidates in the elections.

Saying that the KMT is determined to promote democratic reform, Hsu added that it was impossible for the ruling party to ask the government to reimpose martial law if it loses in the local elections.

Taiwan's 14.5 million-plus voters will cast ballots this weekend to elect, for the first time, the Taiwan governor and Taipei and Kaohsiung mayors. They will also vote in a new Taiwan Provincial Assembly and Taipei and Kaohsiung city councils.

On whether Taiwan should declare independence or seek reunification with Mainland China—one of the more contentious campaign issues—Hsu said such a decision cannot be determined by referendum, but he reiterated the government's national unification policy.

Real Estate Agency Poll Notes 'Political Uncertainty'

OW0212084494 Taipei CNA in English 0755 GMT
2 Dec 94

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, Dec. 2 (CNA)—Nearly 70 percent of Taiwan's residents believe that Beijing may invade Taiwan and 32 percent say they intend to emigrate abroad, according to an opinion poll conducted by a real estate agency Thursday [1 December].

Among those polled, 27 percent said they no longer think of purchasing real estate for fear of political uncertainty triggered by the gubernatorial and mayoral elections scheduled for Saturday and the impact of "T-Day," a book warning of a Taiwan Strait war next August.

The survey was conducted on potential housing buyers in the Taipei area Thursday with 715 people responding out of 1,200 contacted.

On the eve of the popular elections, the first in three decades, the survey found that 27 percent of those polled would not purchase a house now for three major reasons, including no suitable house found yet (38 percent), the housing market is in low ebb with prospects uncertain (30 percent), and no intention of owning a house for fear of Beijing's possible invasion and Taiwan's increasing political instability (27 percent).

Meanwhile, the poll found that 32 percent of the public in the capital city are thinking of emigrating due to political uncertainty. An additional 21 percent said they

would like to escape the worsening social order and 20 percent said they would like to avoid the low quality of life in Taiwan.

Canada tops all immigration destinations, followed by Australia, the United States and Singapore. Some even considered moving to Mainland China, the survey found.

Government tallies showed that the number of prospective emigrants has more than tripled this year compared with last summer.

Some 68 percent of those surveyed said they have no intention to emigrate abroad. Forty-eight percent of the group say they choose not to move out because they don't believe life will be better outside Taiwan. Twenty-one percent are optimistic about Taiwan's future, 17 percent say emigration is out of the question because of economic inability and 14 percent see no need to emigrate because they have no relatives living abroad.

GM Subsidiary To Provide ITRI With EMS Technology

OW0212084694 Taipei CNA in English 0744 GMT
2 Dec 94

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, Dec. 2 (CNA)—Taiwan will introduce EMS (engine management system) technology from a subsidiary of the General Motors [GM] Company, an Industrial Technology Research Institute (ITRI) spokesman said Friday [2 December].

The technology, to be provided by GM subsidiary ACG [expansion unknown], is a combination of auto, information, material and machinery high technologies. It will allow domestic car manufacturers to produce digital control fuel systems which are popular abroad, the spokesman said.

The EMS can control intake, exhaust, pollution, fuel supply, temperature and car speed, allowing the engine to operate more efficiently and thus cut pollution.

At present, fewer than 10 world car manufacturers are able to produce key components needed for the EMS, including ACG, Bosch, Lucas, Ford, Nippon Denso, Siemens and JECS [expansion unknown], he noted.

ACG is the largest car component manufacturer in the world, and the technology transfer is expected to make Taiwan's auto industry even stronger, the spokesman noted.

The total budget for EMS manufacture is estimated at more than NT\$ [new Taiwan dollars] 100 million (US\$3.8 billion), he said.

Hong Kong

BOC Deputy Head on Hong Kong Economic Ties

HK0212105494 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 28 Nov 94 p 5

["Wide Talks on Mainland and Hong Kong Economics and Trade" column article by staff reporter Zheng Gugu (6774 0942 0942): "'China Factor' Contributing to Hong Kong's Prosperity—Huang Diyan on Economic Relations Between the Mainland and Hong Kong"—first paragraph is editor's note]

[FBIS Translated Text] Since reform and opening up has been implemented in the China mainland, and since Hong Kong has been in its transition period, many changes have taken place in the economic sphere of the two places. Both can seize the historic opportunity, give play to their own superiorities, enhance cooperation, and promote mutual prosperity. Looking ahead, economic cooperation between the two places is extremely broad. In order to reflect the results and experience of economic cooperation between the two, and to go further into their development prospects, we and Hong Kong Fuji International Company Limited are jointly beginning a column called Wide Talks on Mainland and Hong Kong Economics and Trade, and entrepreneurs, economic figures, and scholars from Hong Kong and the mainland are welcome to contribute articles.

In Hong Kong banking circles, Huang Diyan is well-known to almost everyone. As vice chairman of the Bank of China [BOC], he has long been in charge of the key work of leading the BOC Group in Hong Kong and Macao, and he remains an adviser of the bank. At the same time, he is also the president of Hong Kong Chinese Enterprise Association, as well as an adviser and visiting lecturer of some mainland provinces, municipalities, special economic zones, and universities, and he has a profound understanding of and original views on Hong Kong economic issues.

When asked by this reporter about such questions as the development of Hong Kong's economy and of economic ties between Hong Kong and the mainland, Huang Diyan smilingly discussed them. He quoted copiously from many sources, and stated his own views forcibly by drawing on much full and accurate data.

According to Huang Diyan, Hong Kong, as a tiny place, has hardly any natural resources, but over the years it has developed into the most important financial, trade, shipping, and commercial service center in the Asia-Pacific region, and one of the most developed areas in the world. It is also the irreplaceable springboard for international investment in China—the market with the greatest development potential. Recently, Hong Kong was ranked by the U.S. FORTUNE magazine as the best international commercial city in the world.

He said: Hong Kong's outstanding achievements can be illustrated by just citing a few examples:

—Per capita GDP: It hit 143,236 Hong Kong dollars [HK\$] in 1993, up 850 percent over 1978, and ranking eighth in the world and second in Asia (next to Japan);

—The financial sector: There were a total of 168 licensed banks in 1993, almost doubling that in 1978, and it is the banking center with the third greatest number of international banks in the world. In 1993, the gross assets value of the whole banking sector was HK\$6.0616 trillion, up 3,200 percent over 1978; whereas the total amounts of savings and loans extended were HK\$1.7225 trillion and HK\$2.8569 trillion, up 240 percent and 290 percent over 1978, respectively.

—Foreign trade: The gross value of foreign trade hit HK\$2.1188 trillion in 1993, up 170 percent over 1978, and ranking 10th in the world. Its export volume ranks eighth and its per capita foreign trade volume ranks second in the world, and is next only to Singapore.

In retrospect, what is the basic factor contributing to Hong Kong's huge economic success? In Huang Diyan's opinion, the implementation of the policy of free economy is one factor—but not the basic factor—contributing to Hong Kong's development because many places in the world have implemented such an economic policy since the end of World War II, but they have not achieved what Hong Kong has accomplished. From another view, Hong Kong's achievements are described as the outcome of British colonial rule, which he said is even more ridiculous. Colonial rule can never be the basic factor contributing to Hong Kong's current success because if this were so, why is the overwhelming majority of the colonies in almost all parts of the world which ruled by the so-called "Empire on which the sun never sets" still in an underdeveloped state of poverty and backwardness?

In Huang Diyan's opinion, it is basically the "China factor" that has contributed to Hong Kong's economic development and prosperity. This can be observed from several aspects: First, Hong Kong is adjacent to mainland China—the largest market in the world—and the two economies are not only closely related, but mutually dependent and complementary. Moreover, it faces the Asia-Pacific Region, and Southeast Asia in particular, and so geographically speaking, it is an ideal place to link the mainland's economy with the international economy. Second, the implementation of the reform and opening-up policy since 1978 has very much expedited China's economic and market development, and has given international investors a great chance. At about the same time the mainland began opening its market, Comrade Deng Xiaoping made the wise decision of settling the Hong Kong issue with the idea of "one country, two systems," so that China and Britain could reach an agreement. They signed the Joint Declaration in 1984. These two events have not only dispelled international investors' misgivings about the future of Hong

Kong and stabilized Hong Kong people's investment confidence, but also have offered an unprecedentedly new opportunity for the development of Hong Kong, thus marking the dawn of a golden age in Hong Kong's development. By relying on such merits and capabilities as its exceptionally advantageous geographical location, fine port, advanced communications and transportation facilities, high-quality financial services, broad international market network, and professionals of all kinds, Hong Kong has developed rapidly into a link and a springboard for international investors to enter the mainland market, and for Chinese capital to get into the international market, whereas Hong Kong businessmen, who are in a favorable position, have become the largest investors and beneficiaries in China's open market. From 1984 on, Hong Kong's manufacturing industry and service sector—including trade, finance, transport, tourism, and property and building—have gained great development momentum and interests from the mainland market.

As pointed out by Huang Diyan, the important role of the "China factor" for Hong Kong's economic development also can be confirmed by the development course of economic relations and trade between the two places. Huang Diyan said that the development of economic relations and trade between Hong Kong and the mainland over the recent decade or so can be divided roughly into three stages:

From 1978 to 1983, certain results were achieved in the exploration of economic dealings and trade between the two places. Compared with the situation in 1978, in 1983, Hong Kong's foreign trade and the total volume of mainland-Hong Kong trade grew 190 percent and 470 percent, respectively.

From 1984 to 1991, as a large number of Hong Kong manufacturers were moving their production lines to areas around the Zhu Jiang Delta, economic relations and trade between the two places entered a new stage, with increasingly higher levels of contact. In 1991, the trade volume between the two places hit HK\$501.1 billion, up 720 percent and 4,500 percent over 1983 and 1978, respectively, and its proportion to the total volume of Hong Kong's foreign trade rose to 32.4 percent from 9.1 percent in 1978 and 17.8 percent in 1983.

From 1992 on, Comrade Deng Xiaoping's southern-tour remarks, the 14th CPC Congress's decision on the establishment of a socialist market economy system, and the successive introduction of a series of major reform measures have vigorously furthered the development of mainland-Hong Kong economic relations. From 1992 on, marked changes in economic relations between the two places have arisen. First, large financial groups have begun to move vigorously northward to compete with international capital for the market. Second, as far as the orientation and scale of investment are concerned, the focus of development has been diverted to large-scale investment and infrastructure, such as communications,

energy, and real estate. Third, there has been a marked growth of long-term investment.

Huang Diyan did not feel tired in the least after convincingly proving the importance of developing Hong Kong's economy, as well as economic relations and trade between the two places. He went on talking about the current situation of economic and financial cooperation and trade between the two places.

He told this reporter that in the first half of 1994, Hong Kong's investment amount in the mainland accumulated to \$47.5 billion, accounting for 62 percent of foreign investment in the mainland. It is estimated that by the end of 1993, over 80 percent of Hong Kong manufacturers had moved their production lines to areas in south China, set up nearly 30,000 factories there, and employed approximately 3 million mainland workers and staff members, which is equal to 500 percent of the number of local employees working in the Hong Kong manufacturing industry.

Meanwhile, there has been a huge growth of mainland investment in Hong Kong over the past decade or so, and PRC-invested enterprises have become the most important foreign investors in Hong Kong. So far, the Hong Kong Chinese Enterprise Association has nearly 1,000 member-companies and hundreds of non-member companies, which are involved in vast fields of investment and have a certain market share. At present, Hong Kong's PRC-invested banks have a market share of 24 percent of deposits, PRC-invested enterprises' trade volume accounts for 22 percent of that of Hong Kong (one-third is the turnover of business related to Hong Kong patriots' daily means of subsistence), the volume of goods carried by PRC-invested transport companies accounts for 24 percent of Hong Kong's freight, PRC-invested insurance companies have a market share of 20 percent, and the business volume of PRC-invested property developers accounts for 12 percent of the turnover of major property developers in Hong Kong.... It can be said that PRC-invested enterprises have played an important role in the Hong Kong economy.

"Will Hong Kong's current economic status be superseded by other places after 1997?" Regarding this issue, Huang Diyan said unequivocally that at present, Hong Kong is competing with Singapore, Seoul, and such rapidly rising central mainland cities as Shanghai, but as their respective superiorities and market focus are different. They are, in the main, still complementary to each other, and are seeking joint development, rather than being mutually exclusive. From an economic-geographic point of view, Hong Kong's unique position in economic activities in the Asia-Pacific region, or even in the world, is irreplaceable. With the eastward shift of the global economic focus, the rise of Asia, and the revitalization of China, it is beyond doubt that the future of Hong Kong, as a major international commercial city, will become increasingly brighter and better.

Second Runway at New Airport Not Operational Until 2001

HK0212064994 Hong Kong EASTERN EXPRESS in English 2 Dec 94 p 1

[By Michael Bociurkiw]

[FBIS Transcribed Text] The second runway for Hong Kong's multibillion-dollar new airport at Chek Lap Kok is not expected to be fully operational until 2001—at least two years behind recently announced schedules. By this time the ultra modern airport will have reached saturation point despite its 24-hour operation.

Delegates to an international conference on airports were told yesterday by a senior Provisional Airport Authority (PAA) official that current plans call for the construction of the second runway to begin in 1999. The statement contradicts recent PAA announcements that work would begin shortly after the scheduled opening of the airport in 1997. "I understand at the moment the plan is under review but at the moment we plan to start construction in 1999," Alistair Thomson said during a visit to Chek Lap Kok.

Thomson, who oversees the construction work at the airport said once approval for the second runway is granted, it would take about 18 months to complete the 3,800-metre-long runway. The only advantage the new airport will have over Kai Tak, in its first few years of operation, is that it will be open 24 hours a day, Thomson said.

Most airlines and aviation analysts are calling for the PAA to make the second runway available as soon as possible in order to accommodate forecasted spiralling growth in passenger and cargo traffic. The chorus of Voices includes the International Air Transport Authority (IATA) and the Geneva-based Air Transport Action Group. It is estimated a second runway will increase capacity from 35 million to 87 million passengers per year as flights could take off and land simultaneously.

In addition to discontent over delays in building the second runway, there have been complaints that the airport will open without a complete high-speed rail link to Central and without sufficient aircraft parking spaces. When the then governor, Sir David Wilson, unveiled the airport plan in his policy address in 1989, it included two

runways. But a subsequent master plan—which was based on modest air traffic growth figures in the early 1990s—set plans for a second runway back to two years after the airport opened in 1997.

A PAA spokeswoman, Norma Fung, said yesterday it was premature to place an exact date on when work on the second runway would begin as the matter was still being studied. "Preliminary indications are that the forecasts are higher than we had anticipated in the early 1990s. We are maintaining a flexible approach," she said.

Fung said an independent traffic demand forecast is being finalised and will be reviewed by government officials. The outcome of that will determine what changes in planning and construction schedules are necessary.

The traffic study was to have been ready several months ago but is believed to be tied up in government hands, possibly because of internal political wrangling. It is not clear why officials are delaying work on the second runway as construction could theoretically begin immediately even though workers would be building on reclaimed land.

Analysts have suggested the Government has had problems securing funding for simultaneous construction. "It's crazy to delay that second runway," the director of Hong Kong-based Indo-Swiss Aviation, Jim Eckes, said. "There's something smelly out there and it might have to do with funding."

An executive member of the Board of Airline Representatives said the body was told by the PAA that funding was the problem and little could be done to expedite the process. "They were selling this thing as the dream airport of the world and now it's turning into a disaster," he said.

On the potential parking congestion problem PAA officials said yesterday the airfield will open with 38 gates and 31 remote stands—less than the 63 spots currently at Kai Tak. But officials said because there will be 30 more air bridges than at Kai Tak, aircraft can be loaded and unloaded far more efficiently. The local general manager of Canadian Airlines International, Richard Webb said there could be a problem if airlines maintain the same schedules as at Kai Tak.

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